Daily Report

East Europe

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FBIS-EEU-95-110 *8 Jun 1995*

CONTENTS

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INTERNATIONAL AFFAIRS

OSCE Gives Briefing on Chechen Mission *[Budapest Radio]* 1

ALBANIA

Deputy Minister on Albanian-FYROM Relations *[FLAKA E VELLAZERIMIT 13 May]* 2
Berisha Receives Council of Europe Officials *[Tirana TV]* 3
Berisha, Italian Delegation Discuss Cooperation *[Tirana TV]* 4

BULGARIA

Kulikov Discusses NATO, Security Issues *[DUMA 5 Jun]* 5
Konakchiev on Transborder Projects With Greece *[DUMA 3 Jun]* 6

CZECH REPUBLIC

Czech, Slovak Republics Cancel Payments Accord *[Prague Radio]* 7
Zieleniec Discusses European Integration *[TYDEN 22 May]* 7
Independents Enter Politics, Hold Assembly *[HOSPODARSKE NOVINY 5 Jun]* 8

SLOVAKIA

Kovac Describes 'Estrangement' With Meciar *[NARODNA OBRODA 6 Jun]* 10
Spokesman Denies Kovac 'Civil Disobedience' Remark *[PRAVDA 6 Jun]* 10
Gradual Cancellation of Czech Accord Preferred *[Bratislava Radio]* 11
Prime Minister on New Approach to Privatization *[Bratislava TV]* 11
Chiefs of Staff Assess Joint Military Exercise *[NARODNA OBRODA 3 Jun]* 12

HUNGARY

Horn Views U.S. Relations, Domestic Issues *[NEPSZABADSAG 3 Jun]* 14
Supplementary Budget, Privatization Revenues *[HETI VILAGGAZDASAG 22 Apr]* 16
TV Strike Committee Chairman Interviewed *[FIGYELO 6 Apr]* 18
Head of Teachers Trade Union Interviewed *[HETI VILAGGAZDASAG 8 Apr]* 18

BOSNIA-HERZEGOVINA

'Battle' for Lifting Arms Embargo 'Won' in U.S. *[Sarajevo Radio]* 20
Silajdzic 'Unpleasantly Surprised' by U.K.'s Hurd *[Sarajevo Radio]* 20
Lord Owen Not To Let U.S. 'Lecture Me' *[Paris LE FIGARO 6 Jun]* 21
B-H Army General Views Recent Developments *[GLOBUS 2 Jun]* 22
Muslim Ambassador Accused of War Crimes *[BORBA 15 Apr]* 25
Count of Bosnian War Victims Estimated *[POLITIKA 16 Apr]* 26
Daily Discusses Rift in Muslim Community *[OSLOBODJENJE 13 Apr]* 27
Federal Partners Fail To Agree in Mostar *[BORBA 15 Apr]* 28
Customs Regulations Seen Dividing Federation *[OSLOBODJENJE 20 Apr]* 28
Federal Partners in Conflict Over Customs *[OSLOBODJENJE 20 Apr]* 30
RS Government Does Not Recognize Hague Court *[VECERNJE NOVOSTI 27 Apr]* 31
Report From Bosnian Serb Majevica Front *[VECER 22 Apr]* 32

CROATIA

Martic Protests Against Croat Army Aggression *[Knin Radio]* 34
Croat TV Deletes SNS Protest From Broadcast *[POLITIKA 14 Apr]* 34
Conflict Over Autonomy in Istria Viewed *[BORBA 17 Apr]* 35
Allegations of Forced Labor Camps Raised *[SLOBODNA DALMACIJA 18 May]* 36

THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

Bosnian Refugee Convoy Departs for Sarajevo *[MIC]* 38
Skopje Denies Greek Charges of Drug Production *[MIC]* 38
Albanian Women Rally To Protest Discrimination *[MIC]* 38
Commentary Doubts Rapid Agreement With Greece *[PULS 2 Jun]* 38

POLAND

Walesa Urges Unity To Stop Return of Communism *[Warsaw Radio]* 41
Olesky: Walesa Plans To Overthrow Coalition *[PAP]* 41
Olesky Addresses Sejm on Controlling Inflation *[Warsaw Radio]* 41
Ruling Coalition Discusses Government Program *[PAP]* 42
Criticizes Finance Minister *[GAZETA WYBORCZA 7 Jun]* 42
Central Bank Predicts 19-Percent Inflation Rate *[ZYCIE WARSZAWY 6 Jun]* 42
Further on Inflation Rate *[GAZETA WYBORCZA 6 Jun]* 43
Kolodko's Miscalculations Blamed *[GAZETA WYBORCZA 7 Jun]* 44
Kwasniewski Continues To Lead in Polls *[ZYCIE WARSZAWY 6 Jun]* 45
Kwasniewski's Popularity Viewed *[ZYCIE WARSZAWY 6 Jun]* 46
Solidarity Proposes Katowice Recovery Program *[Warsaw TV]* 46
Document Examines Polish-OECD Relationship *[PRZEGLAD RZADOWY Mar-Apr]* 47

SLOVENIA

New Law on Public Tenders Discussed *[SLOVENIAN BUSINESS REPORT Jan/Feb]* 50

YUGOSLAVIA

Federal

Kontic Addresses Russian Business Delegation *[Belgrade Radio]* 51
Parliament, CE Official Discuss Albanian Rights *[TANJUG]* 51
Intention of All Serbs To Join FRY Seen *[VECERNJE NOVOSTI 14 Apr]* 52
Governments Plan To Seek Damages From UN *[VECERNJE NOVOSTI 15 Apr]* 52
Russian Duma Takes Stand Against Sanctions *[VECERNJE NOVOSTI 15 Apr]* 53
Governments To Seek $15 Billion Reimbursement *[POLITIKA 15 Apr]* 54
Increase in Industrial Production Examined *[POLITIKA 15 Apr]* 55
Bulgarian Official Views FRY Sanctions *[POLITIKA 16 Apr]* 55
Business With Russia To Defy Sanctions *[POLITIKA 16 Apr]* 56

Serbia

Milosevic Envoy: Bosnian Serb Response 'Positive' *[Belgrade TV]* 57
Opposition Offers Solutions to Bosnian Crisis *[TANJUG]* 57

Montenegro

Assembly Not To Recognize Bosnia-Herzegovina *[SRNA]* 58

Kosovo

Police Detain Activists, Raid Gnjilane Market *[Editorial Report]* 58
Police Raid Albanian Schools, Arrest Activists *[Editorial Report]* 59
Human Rights Group Briefs Dutch Diplomats *[Kosova Daily Report]* 59

OSCE Gives Briefing on Chechen Mission

LD0806122495 Budapest Kossuth Radio Network in Hungarian 1000 GMT 8 Jun 95

[FBIS Translated Excerpt] A press briefing on the Chechen mission of the Organization for Security and Cooperation in Europe [OSCE] is currently being held in the Foreign Ministry in Budapest. Gyoergy Onody reports.

[Begin Onody recording] In the introduction of his briefing, Ambassador Istvan Gyarmati, a personal envoy of the OSCE chairman [Hungarian Foreign Minister Laszlo Kovacs], said: The fact that the mission can begin its operation should certainly be considered a diplomatic success.

However, ending the military actions in Chechnya has not been achieved. Regarding this, he said that the Russian military leadership did not intend to stop military actions before occupying larger cities. In his view, it is very important to start peace talks while the fighting continues.

Assessing the mission's work, he considered it to be a success that they could achieve significant results in humanitarian aid and the protection of human rights. Russian authorities did not put obstacles in the way of aid distribution. The aid, however, is not enough, Istvan Gyarmati stressed. He also mentioned that they helped to exchange prisoners of war, rescue the population, and reduce the number of arrests.

Regarding the future, he said that the aim is to end fighting, prepare elections, and prevent a civil war lasting several years, in which both sides could only lose.

Following Gyarmati's briefing, Sandor Meszaros, OSCE mission head in Groznyy, continued the briefing. [end recording] [passage omitted]

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Deputy Minister on Albanian-FYROM Relations

95P20812A Skopje FLAKA E VELLAZERIMIT in Albanian 13 May 95 p 6

[Interview with Albanian Deputy Foreign Minister Arjan Starova by Ibrahim Mehmeti in London between 1 and 3 May 1995: "Opening Up Does Not Simply Mean Going Outside the Country"]

[FBIS Translated Excerpt] [Mehmeti] Arjan Starova, 40-year-old politician, former teacher in the Department of Philosophy of Tirana University and, later, head of the department, member of the Social Democractic Party since 1991, member of the Social Democratic Union as of 1992, assumed the position of deputy foreign minister of the Republic of Albania as a member of this Union (in May 1992), a position he still occupies today. From 1 to 3 May, he was a participant in the Conference on the Future of Europe, which was held in London, and we interviewed him on this occasion. The deputy foreign minister spoke to us about Albanian diplomatic activity after democratization, Albanian views on the Kosova issue, Albanians in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], and other issues.

[Mehmeti] Mr. Starova, tell us about Albanian diplomatic activities of recent years, after Albania opened up to the world.

[Starova] This is a broad subject in which much can be said, so we cannot limit it to just a few items. At this time, I will mention a few of the most characteristic points. We know that the previous regime was completely isolated, isolated in such a way that it was different from other East European countries. Therefore, one of the tasks of the Ministry of Foreign Affairs was to open up the country. [passage omitted] The first step was a strong economic reform and also reform in other directions. I am speaking about institutional reform. Let me say that in these two areas, in which the Ministry of Foreign Affairs has been involved from the beginning, successes have been achieved. Of course, all this could not be done in three years because opening up does not mean simply going outside the country or admitting foreigners to the country. First of all, it is the opening up of the thought process and of the manner of reasoning, and this takes a long time. However, important steps have been taken.

[Mehmeti] Tell us something about the steps taken by Albanian diplomacy to open up the country and to integrate it with the outside world.

[Starova] Albania is a member of a number of international organizations. As we know, it is a member of the Organization for Security and Cooperation in Europe, a member of the NATO Coordinating Council, and a member of the NATO Parliamentary Assembly. It has a trade agreement with the European Union. It is a member-observer in the Central European Initiative and it expects to be admitted soon to the Council of Europe. We have applied for membership in the Western European Union and other organizations. Albania was already a member of the United Nations but we can say that it is really a UN member now, with its extensive, varied activities for the resolution of its problems.

One of these problems, as we know, is the issue of Albanians outside the borders of Albania, the two most important groups being the Albanians in Kosova and the Albanians in Macedonia. These activities can be called a prelude to the integration of Albania in Europe, an integration which Albania has always hoped for. At last, the time has come for Albania to really move toward Europe.

[Mehmeti] Albania has asked for NATO membership. What will this mean for Albania, and what will Albania gain by membership in this organism?

[Starova] We consider NATO to be a strong organism for security, peace, democracy, and democratic development. I am taking into consideration the change in the image of NATO and in its composition and activities after the end of the Cold War. In any case, NATO remains a strong security organism. Albania believes that, because NATO is an important security element, NATO membership provides an element of security. We think that Albania should become a NATO member because of its longstanding aspirations to be part of Europe, the modern West Europe. On the other hand, both politically and geographically, Albania would serve as a wing, or a normal, natural extension for the expansion of NATO into Southeast Europe.

[Mehmeti] You said that Kosova is one of the concerns of Albanian policy. Tell us what Albanian diplomacy can do in regard to this issue?

[Starova] One of the important principles that Albania has followed in finding a solution to the Kosova problem is, first of all, the principle of respecting, supporting, and giving the political leaders of the Albanian population of Kosova their due because, as we know, they have an organized leadership, they have had elections, and they have an Assembly, a government, a president, and political parties. Therefore, Albania has made an effort to support their political demands and to help them achieve their aims, so as to avoid the danger of a new crisis, in addition to the Bosnian one, a new war that would break out in Kosova, that would be bad not only for the Albanians but also for the entire region.

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[Mehmeti] After opening up to the world, Albania established quite good relations with Macedonia. However, these relations have been characterized by great "hot and cold" fluctuations during recent times. How would you characterize current relations with Macedonia?

[Starova] It is true that there have been some fluctuations in relations between Albania and Macedonia, fluctuations which have not damaged this good framework of normal relations. However, these fluctuations are evident because, as we know, the issue of the Albanians in Macedonia occupies an important place in Albanian foreign policy and influences relations between Macedonia and Albania—for example, the recent case of the opening of Tetova University, which aggravated relations. Relations have improved now but, in regard to the rights of the Albanians in Macedonia, we think that the Macedonian Government has much to do.

However, I must say that very little has been done. In this regard, let me say that relations between our two countries cannot develop successfully until the Albanian problem is resolved completely. Of course, this does not mean that we will try to make relations worse. We will proceed normally, but the future of these relations would be much better if it would proceed in this direction [in the direction of the resolution of the Albanian problem]. If we look at the issue of Tetova University, the issue of education which is a very important point, representing the very great desire of the Albanians to be educated, the logic is very simple. Albanians have constantly sought the right to have a school of higher education. The Macedonians have agreed and, on very high levels, they have promised that they could have this but, strangely, these promises have not been kept. I think that it is not a minor matter that the high-level promises to satisfy the demands of the Albanians in Macedonia for higher education have not been kept. It is very serious. Problems can be solved only through dialogue, and integrity is very important in any dialogue. In a dialogue, it is important that the things which are said and the things which are agreed upon can be achieved.

Nevertheless, it is important that we do not lose hope. We hope that the Macedonian Government will find the way to ensure that this right of the Albanians is achieved. In this regard, we are aware of the efforts of the Albanians in parliament and we think that, with this hope, we are giving a broader perspective to relations between Macedonia and Albania. But one thing is clear: if promises continue to be unfulfilled, the situation can worsen spontaneously in an undesired manner, because it is not a matter of one leader or of 10 leaders who can talk to each other and find a normal way to avoid incidents. It is a matter of a large population which has been the victim of broken promises in regard to its education. Nevertheless, we still have hope, and we hope that the promises will be fulfilled in a short time, because this is important, not only for the Albanians but also for the Macedonian state, as a new state, and naturally, for the region.

[Mehmeti] How do you evaluate the participation of Albanians and of the Party for Democratic Prosperity in the Government of Macedonia?

[Starova] Of course, the participation of Albanians in the government is an element, a means which helps in the struggle that all political subjects are carrying on to resolve their problems. Their presence is an element which helps in this regard.

[Mehmeti] On the border between Albania and Macedonia, there have often been tragic incidents in which Albanian citizens have been killed. How do these incidents affect relations between the countries?

[Starova] Each incident at the border resulted in the loss of human life and, in this regard, there is very great concern. Naturally, in general, Albania expresses its concern and sorrow when any life is lost, even if it is a Macedonian. However, when only Albanians die in border incidents, these are moments of great anxiety for the Albanian Government. The government has lodged its protests through diplomatic channels, but I can say that the number of incidents at the Albanian-Macedonian border has decreased lately. It is true that there was an incident recently which should not have happened and could have been avoided. Such things sometimes happen at borders for various reasons. We have taken the proper stand in regard to each incident, and we will certainly do the same in the future, because we value the life of each person. However, I believe that the most recent incident will not have any serious effect on relations between the two countries [passage omitted].

Berisha Receives Council of Europe Officials

AU0706163895 Tirana TVSH Television Network in Albanian 1800 GMT 6 Jun 95

[FBIS Translated Text] President Berisha today received Messrs. (Gusenbauer) and Redborn, chairman and deputy chairman of the Commission for Social, Health, and Family Issues of the Parliamentary Assembly of the Council of Europe.

President Berisha stressed that for three years, Albania has been committed to setting up a law-governed state and market economy, as well as being integrated into Europe. Although Europe's poorest country, Albania has the most dynamic indicators of economic de-

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velopment and a private sector that is continuously employing people.

Satisfied with Albania's cooperation with the Council of Europe and European institutions, President Berisha stated that Europe is Albania's future.

Mr. (Gusenbauer), who had visited Albania two years ago, said that he admired the fast changes and assessed the achievements. Our visit, he said, is a very positive expression of the Council of Europe's assessment for Albania. The Council of Europe is convinced of having Albania as its member by the end of June. This marks Albania's integration into Europe's political system. We see with interest the start of negotiations on Albania's associate agreements with the European Union.

Berisha, Italian Delegation Discuss Cooperation

AU0706123995 Tirana TVSH Television Network in Albanian 1800 GMT 6 Jun 95

[FBIS Translated Text] President Berisha today received Giuseppe Tatarella, chairman of the Italian National Alliance parliamentary group, and (Mirko Pierre Antonio Tremalia), chairman of the Italian Parliament's Foreign Policy Commission.

President Berisha briefed the visitors on the course of reforms and achievements in Albania and assessed the invaluable aid that Italy has rendered to Albania to overcome the difficulties of a country in transition. Berisha stressed that relations and the overall and fruitful cooperation between our two friendly countries are developing progressively and have a very good future.

Thanking Italy for its continuous support, President Berisha stated that he highly appreciates the fact that the Italian Government has considered the demand to accept seasonal emigrants.

Assessing the greatest reform achievements, Tatarella and Tremalia said that Albania is not only imposing [imponohet] on Italy's attention and support, but also the international community, as it deserves respect for engaging in democratic reforms and remaining stable in a turbulent region. They assured President Berisha that they will encourage and accelerate the procedures of various agreements and treaties between our two countries.

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Kulikov Discusses NATO, Security Issues

AU0706154695 Sofia DUMA in Bulgarian 5 Jun 95 p 3

[Interview with Marshal Viktor Kulikov, Russian Defense Ministry adviser, by Vacho Radulov; place and date not given: "Bulgaria Will Decide Whether To Join NATO by Itself"]

[FBIS Translated Text] [Radulov] Marshal Kulikov, how do you view the possibility of Bulgaria joining NATO?

[Kulikov] Sovereign Bulgaria will decide this question by itself. However, as a military man I believe that, as far as the East European countries are concerned, at the moment this step is undesirable and premature. What Europe needs today is a political, not a military organization. We, in Russia, consider that the Partnership for Peace provides enough opportunities for working together and for monitoring security problems in Europe and the world.

[Radulov] Is it likely that Russia will forestall us in this respect, now that it has adopted the Partnership for Peace initiative?

[Kulikov] I do not think that Russia will join NATO in the foreseeable future. This would not defuse the international situation. Russia supports the formation of a political alliance in Europe.

[Radulov] Instead of NATO?

[Kulikov] Yes.

[Radulov] With U.S. participation?

[Kulikov] It is for the United States to decide whether to join it. We are considering the case of Europe. Personally, I think that the United States has no part to play in such an alliance, which will enable the Europeans to solve the problems in their own house.

[Radulov] What do you think at present about the Warsaw Pact?

[Kulikov] It was formed as a structure after NATO and as a response to NATO. In its early and concluding years it possessed a defensive doctrine. We did not threaten anyone. Thanks to the existence of this alliance, no war occurred for 40 years. It was a collective body, and the USSR applied no pressure to the other members.

[Radulov] Is the state of Bulgaria's defensive capabilities of any importance to Russia?

[Kulikov] It is in the interest of Bulgaria, not Russia, to have a strong army. It is also in Bulgaria's interest to have good relations with Russia, insofar as the Bulgarian Army is equipped with Soviet weapons and hardware, whose maintenance and backup with spare parts depend on Russia.

[Radulov] Is Russia interested in the Bulgaria military-industrial complex?

[Kulikov] Naturally it is. Bulgarian-produced military vehicles, submachine guns, and the "Gvozdika" self-propelled gun had a good reputation in their time.

[Radulov] Can you explain why our military, who recently have been involved in arms scandals, sought salvation in Russia?

[Kulikov] I have no information about this.

[Radulov] Will a global military conflict break out in the Balkans? American experts predict this may happen....

[Kulikov] War exists now, in former Yugoslavia. What is bad is that other countries are intervening in it. At the same time, the United Nations is ineffective in stopping it, and air strikes against one side pose a risk of spreading the hostilities.

[Radulov] How do you explain the helplessness of the United Nations and NATO in this situation?

[Kulikov] I attribute it to the fact that countries that are unfamiliar with the Yugoslavia phenomenon are interfering. Moreover, they are the Croats against the Serbs. Nothing good can be expected when Serbian positions are bombarded without any consultation with Russia.

[Radulov] Can Bulgaria receive any other international guarantees for its national security apart from NATO?

[Kulikov] Of course. Conflict situations are the fruit of shortsighted policies. Good bilateral relations between neighbors are the best guarantee for any country's national security.

[Radulov] After the possibility of a worldwide military conflict disappeared, the world peace that was preserved at such a high cost was replaced by "cheap" local wars. Is this the only alternative for the modern world?

[Kulikov] When World War II ended, we thought that there would be no more wars. Alas, this was not the case. So-called internal conflict situations appeared—in the Middle East, Vietnam, the Balkans, and even in Russia. Unfortunately, we still have no mechanism to resolve them without losses. They are dangerous because they may spread.

[Radulov] Blood is being shed in Chechnya....

[Kulikov] Yes, but this is a struggle against a terrorist bandit group that wants to establish its own authoritarian regime. Our troops there are fulfilling their constitutional duty.

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[Radulov] Some people think that Russia represents a danger to its neighbors....

[Kulikov] Russia will never attack its neighbors or anyone else. Russia suffered huge casualties in freeing the peoples of Europe. To hold the view that today we threaten anyone is irresponsible.

[Radulov] How do you like it in Bulgaria?

[Kulikov] I feel quite at home. I have many memories and friends, such as Dzhurov and Semerdzhiev, [former defense ministers] for example.

[Radulov] However, both of them have left politics.

[Kulikov] Why is this important? In my book, the real human being is honorable, truthful, and constant. I have worked with these people and cannot turn away from them only because someone does not receive them today. I am delighted by your nation. During the war we solved fateful problems together. For example, do you know that in 1943 and 1944 there were 680,000 Germans in Bulgaria?

[Radulov] One can see from your shoulder boards that you are a marshal of the Soviet Union. Do you ever miss the USSR?

[Kulikov] The Soviet Union no longer exists and will never be restored. However, quite soon we will have a united state. History and objective reality dictate this. Armenia or Georgia could never get by without Russia's help. Belarus supports the idea of this new state, and in Ukraine there are also supporters.

Konakchiev on Transborder Projects With Greece

AU0806083195 Sofia DUMA in Bulgarian 3 Jun 95 p 5

[Report by Leonora Lekova]

[FBIS Translated Text] The implementation of the projects for transborder cooperation between Bulgaria and Greece under the PHARE [Economic and Reconstruction Aid for Poland and Hungary] and Interreg programs is now starting. This became known yesterday, following the talks between Doncho Konakchiev, minister of regional development and construction, and Yeoryios Kandelepas [name as transliterated], chief secretary at the Greek Ministry of National Economy.

The stage of planning and coordinating the two sides' projects has now ended, Tsveta Kamenova, head of a department in the Ministry of Regional Development and Construction, commented after the meeting. The documents now have to be sent to the European Union and the agreements have to be signed, after which work will start on preparing the tender competitions for building the specific facilities.

In 1995 Bulgaria will receive 25 million ECU's, Kamenova said. The money is mainly earmarked for building roads, water mains, and water treatment plants, principally in border regions. The proposals have been made by different ministries and coordinated with the Greek side. As an EU member, Greece will receive ECU160 million.

The most important projects include the railroad link between Dupnitsa and Kulata, the Kulata border checkpoint, and the construction of a nuclear waste storage facility at the Kozloduy Nuclear Power Plant. The 1994-95 program also includes a number of water supply installations, the most important of which are water main systems for Pamporovo and Sandanski.

The project plans are already prepared for most of the facilities so that the money will be used to finance the actual construction operations, Kamenova explained. Special units will be set up at the ministries to prepare for the tendering processes, which will be conducted in accordance with European standards and regulations so that foreign companies will be able to take part.

The Ministry of Regional Development and Construction will coordinate the implementation of the program.

At their meeting, Minister Konakchiev and Yeoryios Kandelepas discussed the directions for developing the border regions. It was agreed to exchange information about construction companies and forthcoming construction projects in both countries.

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Czech, Slovak Republics Cancel Payments Accord

LD0706162795 Prague Radiozurnal Radio Network in Czech 1500 GMT 7 Jun 95

[FBIS Translated Text] The government unilaterally abrogated the payments agreement with Slovakia today. Vladislav Kulhavy reports:

[Kulhavy] Prime Minister Vaclav Klaus will hand over the relevant proposal to parliament tomorrow night—on Friday morning at the latest—so that the deputies may discuss it at their June meeting.

The cancellation of the payments agreement, after being approved by parliament, could become valid as early as 1 October this year. The prime minister will send a letter to Slovak Prime Minister Vladimir Meciar today, in which he will tell him about the cancellation of the agreement. The letter also contains disappointment at the fact that the Czech Government did not receive a reply to its proposal sent to the Slovak Cabinet at the beginning of May.

According to Vaclav Klaus, he was in contact with the Slovak Embassy in Prague and with the Czech Consulate in Bratislava up to the last minute. Nothing, however, pointed to the fact that Vladimir Meciar's letter, announced in advance, had been sent. Necessary steps from the Czech side hence followed. According to Vaclav Klaus, they will not influence the development of mutual trade.

Zieleniec Discusses European Integration

AU0806073395 Prague TYDEN in Czech 22 May 95 No 21, p 29

[Interview with Foreign Minister Josef Zieleniec by Josef Vesely; place and date not given: "We Know Where We Are Going—And Why; Foreign Minister Josef Zieleniec Answers Questions From TYDEN"]

[FBIS Translated Text] [Zieleniec] I believe that even in Germany the conviction is gaining force that the questions of the past must be settled. Leaving them open would be inexpedient, even dangerous—not only for the Czech Republic but also for Germany. Why not concentrate on our common future in our common Europe? After all, that is in the interest of both countries. Deliberations on this topic are becoming ever more frequent even in German political circles. Our proposals are given close attention, and they are the basis for the activities of many politicians. That is a very favorable development.

[Vesely] So far, the Bundestag opposition—the head of which, Antje Vollmer, pushed through the debate on the Czech-German relations—made its views more obvious. According to the German press, however, these relations are more of a "business of the boss," Chancellor Kohl.

[Zieleniec] Some reporters speak about Czech-German relations as the "business of the boss," because they believe that, within the framework of the Bonn coalition, Helmut Kohl assumed the right of decisionmaking in these matters and excluded them from the everyday routine of the Foreign Ministry. Nevertheless, I want to emphasize that this is a reflection of the opinions expressed in the German press.

[Vesely] It may be better if Helmut Kohl himself deals with this, as the position of your counterpart Klaus Kinkel weakened after the Landtag elections in Bremen and North Rhine-Westphalia because of the defeats of the Free Democratic Party. The weaker coalition partner can easily succumb to domestic pressure, for example from the Christian Social Union.

[Zieleniec] Regarding the complex domestic political background in Germany, we have always maintained contacts with a broad spectrum of politicians, and such discussions continue. The main reason for referring to the given problem as a "business of the boss" is, according to some people, that the Christian Democratic Union is in a close coalition with the Bavarian Christian Social Union, which is to a certain degree dependent on the votes from Sudeten Germans. After all, that is the reason why we have always communicated with Germany regarding this issue through diverse channels rather than solely via the Foreign Ministry.

[Vesely] Will the decision on NATO expansion also be a "business of the bosses," this time of those who head such powers as the United States and Russia, as their summit in Moscow indicated?

[Zieleniec] In the United States, everything is the "business of the boss"—it is given in the Constitution; the President is the boss of the executive. In the context of the Clinton-Yeltsin summit, however, I would like to point out that while we have talked about our membership in NATO for several years now, real progress in this matter can be gauged primarily by its gradually becoming a part of the U.S. President's agenda. This means that it reached a serious stage of decisionmaking. Paradoxically, the intensity of the rejection on the part of the Russian political circles is also evidence of the advancement of the decision by our Western partners. The end of this year—when NATO will define the criteria for the expansion of the alliance and a very specific structured dialogue on the admission procedure begins—will bring additional significant steps in this direction.

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[Vesely] Another "business of the boss" could appear on the agenda of the European Union with the assumption of office by the new French President Jacques Chirac. This man stated, inter alia, that "France is to become the driving force of European integration"—no longer in tandem with Germany as it was with his predecessors. Will the conceivable changes in the strategy of Paris delay our admission into the EU?

[Zieleniec] I believe that we must wait with our predictions. Statements made immediately after the election differ from the views promulgated after the politician is confronted with actual problems set in real life. On the other hand, Jacques Chirac is not an unknown politician—he has contributed to shaping his country's politics for years. The parties of our government coalition have also maintained for many years good relations with his Rally for the Republic (RPR). A part of this communication were the views on the future European arrangement. I do not believe that a pivotal change will take place. The emphasis may shift. Nevertheless, there are certain constants in a democratic country; radical change is not possible because so many related promises were made.

Regarding the EU intergovernment conference in 1996, it certainly will be an important evaluation of the integration of Europe after Maastricht, and it will supply new impulses. I believe that the integration will develop towards a "Europe of nations," rather than a "Federal Europe." The debate that took place in France prior to the presidential elections indicated this alternative.

[Vesely] Jacques Santer, chairman of the European Commission in Brussels, said that the Maastricht Treaty is not being observed, particularly the parts dealing with cooperation in justice and in the internal security sector, so that it is allegedly "impossible even to contemplate an expansion of the EU in the eastern direction." Moreover, although Santer is not directly elected, he seems to be one of the influential "bosses."

[Zieleniec] The decision on the expansion of the EU will be a political rather than a technical one. The conviction is becoming general that the inclusion of countries of our type is in the interest of all of Europe. I believe that formal talks on the admission of the Czech Republic into the European Union will begin after 1996.

[Vesely] Is the Czech Republic ready also for a conceivable failure of its endeavors to integrate fully into the Euro-Atlantic structures?

[Zieleniec] I am convinced that no danger like that exists. Europe cannot remain split at the eastern border of Germany. That would contradict not only the logic of the recent development of the continent but also the principal idea at the inception of the integration process. It was a political, not a technical, idea. It was not chiefly a matter of the common market but rather that the European nations wanted to interrupt the unending circle of national hatred and wars. Combining means and cooperation has always proved in history to be a basis for peace. The thought that this idea would not bring Europe to include at least Germany's eastern neighbors and some other countries would mean that Europe lost its raison d'etre, that it is only an unproductive structure without any intrinsic sense. I believe that the West Europeans are well aware that this would be the most dangerous direction for themselves, too.

[Vesely] If we are to believe that they will not back off now, the question remains, however, of whether some future Czech Government does "not budge." Is the consensus in our society sufficiently, profoundly, pro-European, and pro-Atlantic?

[Zieleniec] To my knowledge, yes. It is. If you take a look at the official foreign political doctrine of Social Democracy, which is the most likely alternative to the present coalition, it holds in both key points—the EU and the NATO integration—an identical or a very similar opinion. Even the opposition feels that there is no alternative to this orientation in our geopolitical situation, and that Europe has no other alternative available.

[Vesely] So, you as the foreign minister are not anxious about the referendum on NATO membership mentioned recently by Milos Zeman?

[Zieleniec] A democrat is not anxious about referendums. This means that in the matter of NATO, I automatically agree with such deliberations.

Independents Enter Politics, Hold Assembly

AU0806083395 Prague HOSPODARSKE NOVINY in Czech 5 Jun 95 p 3

[CTK report: "The Political Spectrum Has Been Expanded"]

[FBIS Translated Text] Prague—Promoting the protection of citizens in the physical, psychological, economic, and legal spheres will be the aim of a new political movement, the Independents (NEZ) [Nezavisli], whose constituent assembly was held in Prague on 3 June. The new movement, whose establishment was made public by its chairman, Jiri Mrazek, and other officials at a news conference, was founded on the initiative of the Association of Prague Independents, the Union for European Cooperation, and the grouping Ostroh Citizens for Themselves [Ostrozane sobe z Uherskeho Ostrohu] and will provide scope for the inclusion of other entities.

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In reply to a question on how many members the new movement has, its representatives said that "this process is at the formation stage." The Independents want to take part in the parliamentary elections.

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Kovac Describes 'Estrangement' With Meciar

AU0706171995 Bratislava NARODNA OBRODA in Slovak 6 Jun 95 p 12

[Transcript of "interesting extracts" from an interview with President Michal Kovac broadcast by Radio TWIST in Bratislava on 3 June: "The President of the Republic in Radio TWIST's Studio"]

[FBIS Translated Excerpt] [Passage omitted] Following an introductory discussion with announcers J. Filip and S. Radic on the atmosphere of official presidential summits and what goes on behind the scenes, the next question concerned Michal Kovac's relationship with Prime Minister Meciar. [passage omitted]

[Kovac] I think it is being interpreted badly, as if it were a personal dispute.... At the beginning it was, perhaps, hard for either of us to define why such disharmony or estrangement was occurring between us. Each may view it differently. Mr. Meciar may view it one way and I, shall we say, another. I was deputy chairman of the Movement for a Democratic Slovakia [HZDS].... Too many of Mr. Meciar's approaches ran counter to my understanding of attitudes toward certain values. I did not like it if, at meetings with the public, citizens applauded where applause was unseemly, for example, at making fun of or humiliating a partner. And, at that time, I felt like saying I beg your pardon, but no, you should not do this.... Somehow it became firmly established that the individual speakers fell over one another (according to one model) in their attempts to "ingratiate" themselves, because this provoked applause.... The most major estrangement happened when I found out categorically from Mr. Meciar (I was already president) that he perceived my function differently than I did. The way I perceived it was—I am an impartial president, I am in the service of the Slovak state and its citizens and not in the service of the HZDS and its chairman. When I explained this stance quite unequivocally in a conversation (perhaps in May 1993), I discovered that this had come as a major surprise to Mr. Meciar and, from that moment, I became aware of attempts to discredit the president—first at various meetings that I no longer attended.... I ascertained that the line here is based on the fact that someone has become disappointed in me and, since I am not president in accordance with certain views, then in fact I am not a good president, I am not a Slovak president. In the end, it reached the stage where Mr. Meciar has now declared that I have morally and humanly failed as president and, therefore, should resign.

[NARODNA OBRODA] The issue of creating an image of Slovakia in the world and in the mass media also came up in the discussion.

[Kovac] Politicians abroad are interested in how citizens in our country are kept informed, whether the public-legal media such as television and radio are public-legal or merely serve the government.... Unfortunately, the answer to this this time is very complicated, and I have to be candid in these matters. I am personally alarmed that these mass media have been wrenched out of the public's control. They have been wrenched out of the control of the other entities in parliament and are merely under the control of the coalition grouping. There are no mechanisms that would make it possible to curb this one-sided influence.... I am discovering that no one outside the governing coalition can alter the situation in these media, and that is bad.

[NARODNA OBRODA] The issue of intolerance by journalists also came up in the conversation.

[Kovac] There are newspapers that I do not read on purpose; there are things that I do not listen to, and so I feel better. This is not because I do not want to listen to criticism. But, I am aware of malice, hatred, animosity, and deliberate deceit there. [passage omitted]

Spokesman Denies Kovac 'Civil Disobedience' Remark

AU0806083595 Bratislava PRAVDA in Slovak 6 Jun 95 p 2

[Report by TASR: "The Publication of a Fabrication"]

[FBIS Translated Text] Bratislava—The Office of the Slovak President (KP SR) denies absolutely that the president would ever have said "a citizen has a right to civil disobedience as long as it is organized within the bounds of the law and the Constitution." This remark was attributed to Michal Kovac in the caption above the headlines of a commentary by Miroslav Sasky, "The President of the Slovak Republic Seeks the Support of the Hungarian Minority," carried by SLOVENSKA REPUBLIKA on 26 May. This denial is contained in a statement issued yesterday by Vladimir Stefko the president's spokesman and the director of the KP SR Press Department. He said that, at the meeting between the president and the representatives of Hungarian teachers, the chairman of the Union of Hungarian Teachers, Zoltan Sido, had expressed his resolve to call for civil disobedience under certain circumstances. No reference is made to such a declaration or statement by M. Kovac even in the report issued by TASR, he said. The publication of this fabrication is, according to the statement by the president's spokesman, an insult to

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journalistic ethics, readers, and TASR and comes under the scenario of attacks by certain political entities and persons on the head of state.

[Bratislava SLOVENSKA REPUBLIKA in Slovak on the same date on page 2, under the headline "Who Is Spreading Disinformation?," carries a 400-word article by Miroslav Sasky in which he reacts to the KP SR statement. In this article, Sasky declares "I did not fabricate the statement by Michal Kovac! I was merely quoting from an agency report carried by RUDE PRAVO (24 May 1995) in which, under the headline 'Michal Kovac Has Endorsed the Right to Civil Disobedience,' it said the following: 'Slovak President Michal Kovac has endorsed the right to civil disobedience as long as it is organized within the bounds of the law and the Constitution. This statement was made by the chairman of the Union of Hungarian Teachers in Slovakia, Zoltan Sido, after his meeting with the head of state.'" Sasky concludes his article by attacking Vladimir Stefko, the president's spokesman. According to him, "if he is a truly competent spokesman, he should have reacted immediately, on 25 May 1995, to the original false report. If he is only reacting to it now, on 5 June 1995, and is not reacting at all to the original source, then there is probably a specific design in this. If I were in M. Kovac's shoes, I would once again be thinking about the kind of people I have surrounded myself with."]

Gradual Cancellation of Czech Accord Preferred

LD0806121895 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 8 Jun 95

[FBIS Translated Text] Yesterday afternoon Czech Prime Minister Vaclav Klaus received a faxed letter from [Slovak Prime Minister] Vladimir Meciar responding to the Czech Government's 10 May letter announcing the proposal to cancel the payments agreement between the two countries, Klaus's cabinet spokesman, Vadim Petrov, told CTK today.

According to the spokesman, the Slovak prime minister wrote that the agreement had achieved its purpose, but it should have been cancelled gradually while preserving the validity of some of its stipulations.

In response to Meciar's letter, Klaus said that the Czech Government's decision yesterday to unilaterally abrogate the payments agreement could by no means be changed. However, he is convinced about the need to initiate talks between the two countries' finance ministers as soon as possible.

Prime Minister on New Approach to Privatization

LD0706175395 Bratislava STV 1 Television Network in Slovak 1900 GMT 6 Jun 95

[FBIS Translated Excerpt] Good evening from the televised debate Press Club broadcast from the Mlynska dolina studio. At the beginning, let me welcome our guests, Slovak Prime Minister Vladimir Meciar and Finance Minister Sergej Kozlik, as well as my fellow journalists in the audience. Welcome all to the studio. Good evening. [passage omitted]

Prime Minister, our public is eager to learn about the already trailed agenda of today's Press Club, which is the innovated project of the second wave of coupon privatization. The government did not debate this new project today. However, we know that you discussed this issue with economic ministers and representatives of the Slovak National Fund [FNM] and the National Bank of Slovakia on 4 June during the meeting at Trencianske Teplice. Let us start with the results of this meeting.

[Meciar] [Passage omitted] When we assessed the process of privatization to date, we found out these facts. In the first wave of coupon privatization the value of assets represented by one coupon booklet was supposed to be 30,000 Slovak korunas [Sk]. According to experts, the current value is Sk5,620.

We also noted that only four investment funds offered over Sk10,000 per booklet. On the other hand, other funds offer less. Some coupon booklet holders lost their shares and have absolutely nothing. [passage omitted]

According to the new project, every citizen who possesses a coupon booklet should play an active role. We assume that every one of these coupon booklets will represent a value of Sk10,000. That means everyone will receive bonds from FNM sent to his address where he is registered. This will exclude the 40,000 forged booklets, which have been discarded. Bonds worth Sk35 billion will be distributed to citizens.

These bonds are real money. Let me compare. Originally there were assets worth Sk30,000 estimated per one holder of a coupon booklet, and there were 2.5 million holders of coupon booklets. Nowadays, there are 3.5 million holders of coupon booklets. The real value in relation to the book value is substantially higher.

At this stage, it is irrelevant how we have arrived at the sum of 35 billion. It should be much higher. Nevertheless, the FNM will will take full responsibility.

Let us consider what steps the citizens can take. As soon as they receive their securities or bonds worth Sk10,000, they can put them toward their insurance

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schemes. Senior citizens, for instance, may put it toward their pensions or other forms of insurance. Insurance companies will accept them and exchange them with the FNM.

Others can, for example, use them to privatize their apartments, remitting the value to the housing funds of cities or villages in which they live. Housing funds will be entitled to receive shares from the FNM, exchanging shares for shares, or they can request financial compensations. Naturally, the scheme will run according to a certain time schedule.

Banks have shown a great deal of interest in this form of privatization and in bonds, as they would like to improve their capital assets in relation to real properties. The banks are striving to get hold of these bonds.

Still, these are not all the possibilities citizens have. They can sell their bonds for their nominal value. We expect that, in the first stage, when the supply will be great, some will underestimate the real value.

On the other hand, they can join in the privatization of their own companies. When the employees-owned joint-stock companies are founded, any citizen can use his bonds to pay for his shares representing the value of his bonds. Naturally, the values of his shares will be bigger than the real value of the bonds—Sk10,000.

Another option for citizens is to join in the accumulation of assets in the companies they work for, which is also in their interest.

And, if they want to entrust it to other people or funds, they can transfer their bonds to third parties who will act on their behalf but only as administrators. [passage omitted]

[Unidentified correspondent] I have the impression the new approach to privatization is making privatization funds redundant. There are many reasons to see it that way. Let us consider the following comparison. If a citizen invests directly into a company, provided he possesses a coupon booklet, the revenue will be Sk15,000. If he invests in a privatization fund it will be Sk3,500. Are we to assume that coupon privatization will no longer be carried out by the privatization fund?

[Meciar] No, the new approach to privatization is not adverse to the funds. However, privatization funds will have competitors. They will have as many assets as citizens have confidence in them. The citizens can either sell their bonds to the privatization funds or they can arrange that the funds will administer the bonds on their behalf. [passage omitted]

[Unidentified correspondent] But let's return to the theme of privatization. Today you have also approved a new draft law on securing state interests in privatizing strategically important state-owned enterprises and joint-stock companies. How does this new draft law differ from the previous one?

[Meciar] First of all, it was not clear in the old draft law what the interest of the state was. As far as direct interests of the state are concerned, we are of the view the companies of the gas and energy industries, as well as some other organizations like the state mint and several other companies, must not be privatized. It is not in the state's interest that they be privatized. Which means that they are being excluded from the privatization process. A legislative barrier is being introduced preventing them from being privatized in the future, other then by a National Council law. [passage omitted]

A different case are companies with a strategic interest for the Slovak Republic that have already been privatized or will be privatized, where there will be two forms of administration. Either the shares that have not yet been privatized will be transferred to the founder who will be responsible for the management of the property company. At the moment neither the investment fund nor anyone else carries out these duties properly. That is why some of the companies do not belong to anyone.

The second change is that in the case of those companies that have already been or will be privatized, the so-called gold share [zlata akcia] of the state should be introduced by law, which in some cases would give the state certain blocking mechanisms like, for example, a liquidation of an organization or some other small things that are yet to be finalized. [passage omitted]

Chiefs of Staff Assess Joint Military Exercise

AU0806082995 Bratislava NARODNA OBRODA in Slovak 3 Jun 95 p 2

[Report by "isa": "Joint Military Exercise for the Event of a Migration Wave"]

[FBIS Translated Text] Bratislava—After the conclusion of TRIMIGRANT, a joint operational staff command exercise held from 30 May to 1 June, Lieutenant General Sandor Nemeth, chief of the Hungarian Army General Staff; General Karl Maicen, inspector general of the Austrian Bundeswehr; and Colonel General Jozef Tuchyna, chief of the Slovak Army [ASR] General Staff, reported on its course and aims.

The exercise, which had been initiated by the Slovak side, focused on solving crisis situations that might be triggered by a migration wave from three surrounding fictitious states. The ASR's task was to round up migrants in refugee camps, provide them with supplies and

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medication, secure transfer across the Danube by means of a pontoon bridge, and prevent infiltration by armed groups. Coordination with ministries and other state institutions, such as the State Material Reserves Administration, was also being tested. Jozef Tuchyna pointed out that the exercise had not been managed from a single center but that each general staff ensured command separately. Liaison groups from the partner staffs were present in each general staff. The coordinating role of the liaison groups was appreciated also by the Austrian general, who described the language barrier as the greatest problem.

In preparing the exercise, the organizers paid great attention to making sure that none of the surrounding countries feels threatened by it. Representatives of the countries concerned were invited to the exercise, and operational maps, except for those of the participants' own territories, were pasted over with maps of nonexistent state entities.

[Bratislava SMENA in Slovak on 3 June on page 2 carries a 150-word report by "TASR, nor" on the briefing held at the close of the TRIMIGRANT exercise. According to the SMENA report, "the commands of the participating armies rejected speculations in the foreign press that the exercise was to deal with the coming to a head of tensions between Hungary and Slovakia."]

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Horn Views U.S. Relations, Domestic Issues

AU0706185295 Budapest NEPSZABADSAG in Hungarian 3 Jun 95 pp 1, 8

[Interview with Hungarian Prime Minister Gyula Horn by Peter Vajda on 2 June; place not given: "We Strive for Alliance With the United States—Prime Minister Horn's Interview Before His U.S. Visit"]

[FBIS Translated Text] On the eve of his U.S. visit, Prime Minister Gyula Horn gave an interview to NEPSZABADSAG on his forthcoming talks with President Clinton, and he expressed his conviction that the standby loan agreement with the IMF can be achieved before the end of this year. Talking about domestic political issues, he said that he urges his ministers to refrain from estimates on privatization incomes and target numbers.

[Vajda] What do you expect from your U.S. visit? Are you taking any concrete proposals for President Clinton? Do you believe that your visit will lead us to the IMF's standby loan?

[Horn] Naturally, the visit was preceded by extensive preparatory work because this is the first time I am going to visit the United States in the capacity as prime minister, at the invitation of President Clinton. Within a rather busy program, in addition to the President, I will also have an opportunity to hold talks with the vice president, the secretary of state, the secretary of defense, the chairman of the Senate and the Senate's Foreign Relations Committee, New York State Governor George Pataki, and UN Secretary General Butrus-Butrus Ghali. I will give a few lectures on bilateral relations and on Hungary's situation. As for my concrete proposals, I naturally do not wish to talk about them in advance. I would, nevertheless, emphasize two factors. First, the main goal of the visit is to help change the current partnership with the United States into a relationship of alliance. Naturally, the road to this is achieved through NATO membership. Talking about this, let me note that, in my view, the historic step taken by President Clinton and his government in initiating the opening, namely NATO's expansion in East-Central Europe, was an extremely important development.

Secondly, I believe that it is now a well-known fact that almost 60 percent of U.S. investments in East-Central Europe come to Hungary. In this sense, contrary to all other news, Hungary is in the first place regarding investments. We would like to keep this leading role and this position. In connection with this, I can say this much about our plans, that we wish to make a number of concrete proposals both to political leaders and to business people with whom we will also have some meetings. Special financial support is not needed in certain areas, the issue of preferential tariffs and Hungarian membership in the OECD can be raised. Naturally, issues like the financial implications of NATO membership, namely how the United States will contribute to the Hungarian Army's compatibility and to the modernization of Hungarian military equipment, will also be discussed.

[Vajda] Do you have concrete ideas on the latter?

[Horn] Naturally we do.

[Vajda] What can you reveal about the planned talks with the international financial organizations?

[Horn] We will have a separate meeting with the IMF's leaders. Naturally, this relationship is not independent of Hungarian-U.S. relations, either. Therefore, I add that we have high appreciation for the fact that, by urging the U.S. representatives in the IMF to support the agreement with Hungary, President Clinton almost immediately reacted to the same two-page letter I had sent to him in which I outlined the situation of the Hungarian economy, the measures the government had taken or was planning to take, and the cabinet's commitment to reforms, the country's stabilization, and modernization. Therefore, we do not doubt even for a moment that the United States made it a special point that Hungary can achieve an agreement with the IMF. This agreement actually consists of three stages. Making the so-called understanding statement in itself significantly strengthens the country's creditworthiness, while completing the standby loan agreement can be a basis for a three-year cooperation agreement between the IMF and Hungary. I trust that this will be achieved this year.

[Vajda] To talk about domestic affairs: The planned 1995 privatization income—as has been mentioned a number of times—is 150 billion forints or perhaps somewhat less. What is your personal opinion: Will this be achieved?

[Horn] In my view, it is a mistake to discuss now whether we will or will not get the 150 billion. I have asked the government's relevant officials not to make statements on this, namely not to deal with predictions and estimates. Simply, there is no point in these. We need concrete action and this action is very firmly under way. I am thinking of the privatization of strategic companies, especially the MVM [Hungarian Power Plants], in connection with the competition conditions that are to be discussed by the government, and we will be able to announce the bids before the summer recess. It is gratifying to say that there is great international interest.

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[Vajda notes: "He then referred to the privatization of the Hungarian Oil and Natural Gas Corporation, the new phase of the privatization of the Hungarian Telecommunications Enterprise, and the necessary financial methods."]

[Horn continues] Therefore, in my view, we must make efforts in this area and then we can draw the balance at the end of the year to see if the 150 billion forints income has been reached. My personal view is that this can be achieved; however, people are interested to see if we can achieve what we undertook rather than what kind of figures we predict.

[Vajda] It is an open secret that your party's popularity has significantly decreased according to public opinion polls....

[Horn] It has somewhat decreased.

[Vajda] So your party's popularity has somewhat decreased, and so has yours because you are now at the middle of the popularity lists. How do you feel about this? Do you think that the drop in your personal popularity is in connection with your standing by the Bokros program which is considered to be an austerity program by the majority of the population? Finally, how does this situation affect your position in your party's leadership?

[Horn] I am saying that the Hungarian Socialist Party's [MSZP] popularity has somewhat decreased because it continues to be in the first place. This is no mean result considering the experiences of the past year. It can be proved with examples that none of the West European social democratic governments has gone through similar developments without also feeling their negative effects.

[Vajda] However, this probably is not a joyful event.

[Horn] No, but it is a fact that a left-wing-liberal government undertook such tasks, such radical reforms which their predecessors dared not do for years. It is natural for society to find it difficult to tolerate this. How do I put up with all this? It naturally wears me down; however, it is to be appreciated that I am in the middle rather than at the end of the list. It is also clear that people stand in the background of the Bokros package or any other measures. If we only cared about our position on the popularity lists, then we would not really have the courage to touch anything, and we would continue the practice of our predecessors.

[Vajda] Since you brought the finance minister's name into the conversation, let me ask: The modernization program that was made public a few days ago contains a governmental structure that includes an economic deputy prime minister in the government, and Bokros's name has been mentioned in speculations in connection with this. What does this mean?

[Horn] As this is a discussion material, neither the coalition partners, nor the government, nor its cabinets have yet discussed it. It actually reflects the opinion of those in favor of the reform of public administration and the government; therefore, it cannot at all be seen as official.

We have the following challenge: Among other reasons, it would be necessary to coordinate the work of the various ministries because several problems of coordination have emerged in the past months. In addition to this, I occasionally have to perform certain coordination tasks myself, which is a great burden. It is also a fact that the professional interests of the various ministries are sometimes very different, which causes serious confusions. Therefore, it would be expedient to set up a deputy prime ministerial position to coordinate the various ministries. I emphasize that this is only an idea. However, in opposition to those who are dealing with this idea, I claim that we are not planning that the person in this possible position would have to lead the economic cabinet. Finance Minister Lajos Bokros is the economic cabinet's head. In addition to being an internal issue for the government, this is also a coalition issue. When such a proposal is finally made then the two coalition partners will first have to discuss the suggestions in their parliamentary groups and their party, and the issue can only be decided afterwards.

[Vajda] Was Bokros familiar with this idea?

[Horn] I do not know.

[Vajda] Does it cause a problem for you that you came to government with an explicitly left-wing program and now you are forced to follow a political line that is said to be Thatcherist by many people?

[Horn] There might be some truth in this but this is by no means the complete truth. For example, in the case of the 12 March measures, many people ignore the fact that these measures were primarily taken in accordance with the notion of general and equal sharing of taxation. In this sense, this is a left-wing initiative. It is a fact that the extension of the social insurance payment obligation to the intellectual sphere created indignation. However, they do not take into consideration how unsettled the conditions are in this area. Today, very many cultural institutions pay honoraria even to the heating and technical employees only to avoid their having to pay social insurance contributions, although these people tend not to take pen in their hands. I emphasize that this government is not at all against education, science, or culture, this is not at all the point. When we brought

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these measures, we also began to work out the financial conditions which will also facilitate support for the above three areas. We are talking about education, culture, and science. What I consider to be a real challenge from this point of view is the fact that the MSZP committed itself to a social market economy. Well, little has been done in recent months to establish the institution of social partnership. I emphasize that this has not only been the government's fault, it is extremely difficult to adjust the various interests. It is a general experience that when we come forth with some kind of measure, everyone accepts it except for the people in the affected area. We must not give up establishing the institution of social partnership. I am very confident that we will be able to make a step forward in this respect, in the form of concrete proposals, at the MSZP congress in November. Finally, the modernization program that we announced on 30 May can certainly be accepted as a left-wing program.

[Vajda] What relations do you have with the MSZP's executive committee? To what extent can this body exert influence on the government?

[Horn] I regularly attend the executive committee meetings. Current political issues and governmental affairs come on the agenda at every session. I give information on these, we discuss them, and we deal with domestic political issues, the party's situation, and other matters. At the same time, the executive committee's work is difficult because some of its members also perform governmental or parliamentary tasks. I consider it very important and it has been decided that we should strengthen the national and the county organizations, mainly with young people. We definitely need new, fresh, and young forces in the leadership and the apparatus.

[Vajda] Will the establishment of platforms continue in the MSZP in the meantime?

[Horn] We are not talking about forming platforms because the current ones were set up long time ago and are still operating. The platforms, and I add, the various trends, are operating as organic parts of the party. Naturally, this also involves the emergence of various tendencies, differing opinions, and efforts. I do not at all consider this to be tragic in a social democratic party; all I resent is when statements appear that show far too much self- interest, and when the party interests are not taken into consideration.

[Vajda] Are you thinking of the appearance of personal ambitions?

[Horn] Rather than these ambitions, I have problems with the itching for the limelight. Some people turn it into a sport, always to say the opposite to the official stance or emphasize their private views, although, this to a large extent, is nothing but exhibitionism. This could also be understood. However, as chairman of the party, my job is to stop these intentions from leaving the party's framework because this would weaken the MSZP. This is the reason we need coordinating debates, sessions, and forums by various bodies, and congresses.

[Vajda] Separating the positions of prime minister and party chairman will probably be raised at the congress. If it is, what is your view on it?

[Horn] I cannot predict this but I will face it and I am ready to discuss this with the congress. The party's members should decide whether this is needed. I am open to suggestions on this issue, although I have a solid conviction that, to implement the program, we need a strong government and the support of a strong basis.

[Vajda] Apart from being open on this issue, what is your actual opinion on the separation of these positions?

[Horn] It is good to take the experiences of the Western sister parties into consideration. However, I do not wish to commit myself to either solution.

Supplementary Budget, Privatization Revenues

95CH0234A Budapest HETI VILAGGAZDASAG in Hungarian 22 Apr 95 p 21

[Unattributed article: "Supplementary Budget '95"]

[FBIS Translated Text] The proposed supplementary budget for 1995, which the government submitted to parliament last Friday, reveals that this year the budget would spend one-third of the GDP, i.e., 1,737.7 billion forints [Ft]. A budget deficit of Ft156.6 billion is projected, Ft126 billion less than the originally anticipated Ft282.6 billion (the new deficit is 3 percent of the GDP). According to the proposal, revenues would exceed those approved in December by Ft157.2 billion, while expenditures, in spite of measures to economize, would exceed the projected amount by Ft30.6 billion, or perhaps even more. Namely, no one would buy state bonds for the originally calculated 26 to 28 percent interest, and although the assumption seems optimal now that "interest rates would not rise above 30 to 35 percent of the first quarter of this year," as the justification of the supplementary budget says, this alone would increase state expenditures by Ft34 billion.

The supplementary budget does not give representatives enough information to make a conscientious decision on the modification of the budget, although following the day of political discussion last Wednesday on the government's stabilization plans, Prime Minister Gyula Horn chastised the representatives for engaging

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in political squabble instead of contrasting economic arguments and counterarguments. (The text of the so-called stabilization laws included in the package of measures outlined by the government on 12 March was made available to representatives only four days ago; the supplementary budget for 1995 had not yet been available at that time.)

Moreover, the budget, while correct in calculation, is not very profuse in its content; for instance, it does not contain a single fact about the Telecommunications Fund, although is is proposed to be reduced by Ft16 billion. Incidentally, the law on the state's budget stipulates that it must include a supplementary balance sheet which would inform representatives about autonomous state funds as well as the finances of municipal governments and social insurance authorities, all of which influence the position of the central coffers. However, not only did former Finance Minister Laszlo Bekesi and his team omit the state's balance sheet last December when the 1995 budget was discussed, but his successor, Lajos Bokros, did not comply with the law, either. Only this week will the government get around to discussing two different versions of the 1995 budget of the social insurance funds that differ from each other by Ft15 to 20 billion, after the social insurance authorities rejected the government's plans to broaden the contribution base or, for instance, reduce sick pay.

It is also impossible to find out from the supplementary budget how government bureaucracy would be trimmed down, and how many civil servants and officials would be discharged this year, even though this step is intended to be written into law beforehand. "The amount projected for extra expenditures connected with downsizing at institutions supported by the budget is Ft2 billion," the proposal states. The situation is similar regarding tuition: "The originally projected revenues from state-supported institutions in the amount of Ft6 billion will increase by Ft1 billion as a consequence of the tuition to be paid by students participating in higher education as full-time, night-time, or corresponding students as of 1 September 95," the proposal claims, without specifying the amount of tuition and the circle of those entitled to tuition subsidies. It does not reflect very well on the government that of all the decisions to economize, it was unable to prepare the one concerning itself by the prescribed March deadline. "The effect of subsidy reductions stemming from the inspection of the management and perhaps even the sale of vacation homes affiliated with various offices financed by the budget is not reflected in the proposals (...); its effect cannot be calculated today," we learn from the justification of the supplementary budget, although after 12 March proposals ready for a decision were completed on much more difficult and more important welfare issues, for instance, on the range of people who would qualify for dependent benefits.

Thus, it is officially still not known what is contained in the package of measures announced by the government which is estimated at Ft170 billion, but actually seems to involve a larger amount. The most critical point of the 1995 supplementary budget is that it still anticipates a Ft150 billion income from privatization. It is typical of privatization debates that, for instance, a government decree forbids the sale of shares of the National Savings and Commercial Bank [OTP] to banks, insurance companies, and so-called professional investors. After a statement to the contrary by Finance Minister Lajos Bokros a week and a half ago, Prime Minister Gyula Horn visited the OTP last week in order to announce, reinforcing the government's decree, that revenues from the privatization of the OTP were expected by the end of June. The share package containing 25 percent of the shares is reported to be able to fetch at most the face value, Ft8 billion; 20 percent would be sold to foreigners (no more than 5 percent per person), and 5 percent, to domestic investors at the Budapest Stock Exchange. In addition, the government is divided on the privatization of the energy sector. The text of the supplementary budget says: "A number of conceptual issues of the privatization of the energy sector are disputed." A committee is reported to have been formed under the leadership of Privatization Minister Tamas Suchman to develop the sale of the Hungarian Power Plants Corporation [MVM], but ostensibly they are not working on implementing the December government decree. Tamas Suchman proposes to centralize the six state-owned power suppliers and the eight power plants (which are now individual companies), and sell 49 percent of the thus recreated "trust" in one piece by the middle of the summer to a foreign "mammoth." On the other hand, Istvan Kocsis, assistant director general of the State Property Management Corporation [AVRT], proposes to invite bids for the sale of MVM, and sell its shares to German investors who would assume the debts of the Hungarian state to German banks. At the same time, the justification of the supplementary budget states that if the projected privatization income is not realized, "further drastic austerity measures will have to be introduced."

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TV Strike Committee Chairman Interviewed

95CH0231A Budapest FIGYELO in Hungarian 6 Apr 95 p 13

[Report on statements by Laszlo Halak, chairman of the strike committee at Hungarian Television: "Downsizing Is Unconstitutional"]

[FBIS Translated Text] "The section of a government decree on economic stabilization which concerns television is, in its spirit, not unlike any relevant measures of all the previous governments. Since the inception of Hungarian Television, every government thought that television was inexpensive when it employed the least possible number of people. It is virtually irrelevant how much any individual program costs," Laszlo Halak, who was elected chairman of the strike committee of Hungarian Television last week, told FIGYELO. The "top person in charge of strikes," he has a law degree, and has been employed by Hungarian Television for 20 years. Currently he is the head of the editorial office.

The strike committee was granted a broad license by the arbitration council of television to decide when the situation warranted a strike, and what was to be done in case of a strike. The group is composed of delegates from three trade unions and 13 professional organizations. The government decree merely states that the number of persons employed by Hungarian Television should be decreased by 1,000. The director of Hungarian Television has responsibility for the dismissals, and the deadline is March 1995. According to information available to the chairman of the strike committee, so far there has been no decision on the concrete schedule.

"Our employer is Adam Horvath, director of Hungarian Television. Since the Constitutional Court handed down its well-known decision, it has been obvious that the government's oversight of television is unconstitutional. In other words, I think that the Hungarian Government's intention to reduce the number of television employees by 1,000 is unconstitutional," Laszlo Halak said.

In the strike committee's opinion, a good media act could create a clear situation, and would enable the formation of market conditions in the preparation of programs. The most important goal is an increase in productivity, and not downsizing. Moreover, the measure contained in the decree is unprofessional because such a step cannot reduce expenditure—not even if the civil service act is modified and only a settlement mandated by the Code of Civil Law is paid.

Halak acknowledges that, for years, Hungarian Television has had no adequate personnel policy, and thus, rationalization is, of course, necessary: Employees who did not perform to expectation must be discharged, retired employees must be replaced, and so on. At the same time, the strike committee would like to meet a representative of the government as soon as possible, in order to convince him or her not to effect the discharges until the media act is passed. In their opinion, a competent government has the obligation to listen to the views of professional organizations in professional matters. The inexpensive nature of television depends on the number of stations, and the length and nature of the programs. As long as these issues are not settled, the committee thinks it is superfluous to talk about an optimal number of employees.

"We hope that the government will understand our arguments and will elegantly withdraw the decree. Otherwise we will go on strike, the manner of which I do not wish to disclose at this time. But I hope it will not come to this step," Laszlo Halak concluded.

Head of Teachers Trade Union Interviewed

95CH0231B Budapest HETI VILAGGAZDASAG in Hungarian 8 Apr 95 p 124

[Interview with Mrs. Istvan Szollosi, secretary general of the Teachers Trade Union, by Andras Lindner and Zoltan Horvath; place and date not given: "Portrait of Mrs. Istvan Szollosi, Secretary General of the Teachers Trade Union"]

[FBIS Translated Excerpt] [Passage omitted] [Lindner-Horvath] Lately, whenever you have a chance, you sharply attack government measures. Do you really think that Gyula Horn came under the sway of the bourgeoisie?

[Szollosi] Perhaps only time can prove the thesis that capitalism cannot be built with socialist values, and we are now building the most inhumane capitalism.

[Lindner-Horvath] Do you also mean to say that the Association of Free Democrats [SZDSZ] is the coalition's "evil genius"?

[Szollosi] This is a marriage between fire and water. Because of the liberals, we are being pushed in the direction of "turning everything into a market."

[Lindner-Horvath] This could have been said by Istvan Csurka....

[Szollosi] Until now, I have never detected a thought I had in common with him. At the same time, I admit that even what he has to say contains elements of truth, for instance, what he says about international financial institutions. But it is not true that all of this has ideological roots; the behavior of these institutions is a logical consequence of the nature of capital.

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[Lindner-Horvath] Before you became a nationally known politician, you lived in the countryside where you were able to have an intimate understanding of the situation. Did you ever point out mistakes?

[Szollosi] Look, I had a very prominent position in the Hungarian Socialist Workers' Party: I was a member. That's it, over, nothing more. Incidentally, as early as 1984, at the Trade Union school, I wrote a report to the leaders of the school about the real mood of the public.

[Lindner-Horvath] And to what extent did this shatter the regime?

[Szollosi] The party secretary called me in; he ran up and down, saying that "this will cause a lot of trouble," because the report did not turn out the way they imagined.... However, the bigger challenge came later, when as a trade union leader, I blew the whistle on a corruption case. Those were difficult days. Lucky for me, Csaba Ilkei and television helped me. Had they not come, we might have been punched in the nose. These were criminal matters, full of participants who had high party offices in Somogy county.

[Lindner-Horvath] If you were so feisty, why did you not look for alternative voices? Or did you at least listen to Radio Free Europe?

[Szollosi] Please, this was Somogy county! But since you mentioned Radio Free Europe: God gave me the punishment that dissonance was the first thing I always heard. And I don't like to be brainwashed.

[Lindner-Horvath] Did you at least dare to speak to Pozsgay? After all, you were involved in matters of education.

[Szollosi] We tried to contact each other perhaps twice. In 1993, at a conference in Koszeg, we also made an attempt, but we did not find the common denominator. The conference was entitled "Compromise 94," and I didn't like that. Because what we need is not compromise, but agreement. This is my problem with the current government, as well.

[Lindner-Horvath] For the outside observer, this is more than a problem, because you are fighting. Are you looking for allies? For instance, Judit Csehak, who is very sensitive to social problems, and used to be involved in the National Council of Trade Unions. Are you on good terms with her?

[Szollosi] We were never close, and recently, we have grown apart a little more.

[Lindner-Horvath] This is not logical. Could you tell us who or what the reason is?

[Szollosi] Well, it is Laszlo Bekesi. But this is only a phase. I have no doubt of that, having heard Judit's latest interviews.... [passage omitted]

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'Battle' for Lifting Arms Embargo 'Won' in U.S.

AU0706204095 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 7 Jun 95

[FBIS Translated Text] Ejup Ganic, member of the Presidency of the Republic of Bosnia-Herzegovina, today made a statement for the media on the latest initiative in the U.S. Congress regarding the lifting of the embargo on the arms for the Army of the Republic of Bosnia-Herzegovina. We broadcast this statement in full:

[Ganic] The battle for the lifting of the arms embargo has been won in the United States. The battle has been won in Congress, the battle has been won in the U.S. public. The rest is a technical matter and the matter of a date. Let me elaborate on this.

U.S. Congressman Steny Hoyer, a Democrat, has submitted to the U.S. Congress an amendment calling for the lifting of the embargo on the Republic of Bosnia-Herzegovina. Congressman Hoyer did this two days ago on behalf of some of his colleagues, Democrats, and all of them did it together with the Republican Congressman (?Ireman).

The actions on lifting the embargo have so far been headed by the Republicans led by Senator Dole. This action is now being initiated by the Democrats, led by Congressman Hoyer. So, both the Republicans and the Democrats are now together in favor of lifting the embargo.

Clinton's administration at one time, in a way, sought protection for its hesitation among the congressmen from the Democratic Party, protection for the lifting of the embargo. Our systematic work with Congress, which was conducted through periodic visits, constant correspondence, telephone contacts, tireless work by the staff in our mission in New York and the embassy in Washington, as well as the mediation of some of our friendly countries from the Islamic world and Europe, in the U.S. Congress, and the public has produced results.

Everything is now a matter of how this should be done technically. When Congress formally votes in favor of this amendment, which has entered the procedure, I think that the U.S. President will not reject it then, especially after the downing of the F-16 aircraft. Last year, we were involved in an action that resulted in a conference in Congress between the Senate and the House of Representatives. It was decided then not to enforce control of the embargo. This was the so-called stop enforcement. They are now going toward the lifting of the embargo.

Let me elaborate further. So, the procedure has been initiated in Congress. The so-called hearing is taking place today. The defense secretary will speak today and he will express his views to Congress. So will some other officials. Congress will not make decisions today, but the procedure has been started. Therefore, up to now, as I have said, this matter has been in the hands of the Republicans. The Republicans had been saying all the time that the embargo should be lifted on Bosnia, that the people should be allowed to defend themselves, that they have the right to that.

The Democrats had been hesitant. They had more or less followed the policy of President Clinton. It is now the Democrats who have initiated this amendment. Of course, since the Republicans had been in favor of that for some time, forces in Congress have now been joined and we are moving toward the lifting of the embargo.

As I said, everything else is now a technical matter, a matter of procedure, but the process has been started and we think that the embargo will be lifted on that path. This is only a matter of time. We are moving in the direction of the lifting of the embargo.

I would also like to tell you that Congressman Steny Hoyer is successor to Congressman DeConcini, who used to be in the so-called Helsinki Committee. He is a very prominent, eloquent person in the United States, a man who has been following events in Bosnia-Herzegovina systematically for several years.

Therefore, we are cooperating with the international community, with UNPROFOR [UN Protection Force], with everyone. The processes of making decisions are slow, these are the so-called defusion processes. However, we are strengthening our army and are conducting, of course, political actions.

Silajdzic 'Unpleasantly Surprised' by U.K.'s Hurd

AU0806092595 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 8 Jun 95

[FBIS Translated Text] On his way to the United States, Haris Silajdzic, prime minister of the Republic and the Federation of Bosnia-Herzegovina, received British Minister of State Douglas Hogg at London's Heathrow Airport yesterday afternoon. On this occasion, Douglas Hogg gave Silajdzic a letter from British Foreign Minister Douglas Hurd, BH PRESS reports.

During the meeting, Hogg reiterated the known British stand that if the arms embargo to our Government is lifted, UNPROFOR would withdraw, to which Prime Minister Silajdzic responded, saying that this is their right, while it is our legal right to defend ourselves, and that we are not going to be hostages to the presence of British troops serving British policy.

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It is said in Minister Hurd's letter, among other things, that troops sent to Bosnia-Herzegovina are to serve to strengthen UNPROFOR's capability to defend itself and carry out its mandate, as well as [word indistinct] the aggravation of the situation, stressing the need for a new agreement on the cessation of hostilities.

Prime Minister Silajdzic asked Hogg to convey to Foreign Minister Hurd that he is unpleasantly surprised by the British policy having returned to the position it held a year ago, which is unacceptable for Bosnia-Herzegovina. On this occasion, Bosnia-Herzegovina Prime minister Haris Silajdzic said, Great Britain is violating international law the most.

Lord Owen Not To Let U.S. 'Lecture Me'

BR0606120795 Paris LE FIGARO in French 6 Jun 95 p 3

[Interview with Lord Owen by Jacques Duplovich in London; date not given: "Lord Owen: 'UNPROFOR Must Not Treat Serbs Like the Enemy'"]

[FBIS Translated Text] [Duplovich] How do you assess the crisis which UNRPROFOR [United Nations Protection Force] is facing in Bosnia?

[Owen] This is a very serious crisis, worse than all those that went before it. The Bosnian Serbs feel that the United Nations has stepped over what is called the "Mogadishu line," a reference to U.S. military involvement in Somalia, which was deemed to have taken sides. Within this context of confrontation the perception of supposed intentions is just as important as objective facts. I hear talk about the Bosnian Serbs as the "enemy." There is nothing better for encouraging their paranoia. It is of the utmost urgency that we show that UNPROFOR is impartial.

[Duplovich] So you are recommending a policy of appeasement?

[Owen] I am neither weak nor complacent. I am inflexible where the concept of impartiality is concerned. This does not mean inaction. The counterattack by the French soldiers, who forcefully took back a bridge in Sarajevo, was appropriate. However, presenting the Serbs as the "enemy" surely means compromising the humanitarian operation.

[Duplovich] You have often been reproached for being too "understanding" vis-a-vis the Serbs.

[Owen] Politicians, experts, and the press—especially the press—are quick to label one as "pro-Serb" on the pretext that one recommends impartiality. We must beware of oversimplification. The cliche in Sarajevo – which says that the Serbian soldiers are brutes who are drunk day and night—is absurd. There is no real difference between Bosnian Serb soldiers and the Bosnian Muslims: They are both courageous and increasingly better trained.

[Duplovich] What is the priority today?

[Owen] The urgent thing is to secure the release of the hostages. I am saying that we will not obtain their release by replacing humanitarian action with the language of military confrontation. The more we push for direct intervention, the more the Serbs will withdraw into their paranoia. Please understand me: This is not a question of bowing before their threats, or of negotiating with people who take hostages. The UNPROFOR soldiers must be released unconditionally. However, we will then have to show that the United Nations is impartial. If we want to add a combat mission to UNPROFOR's humanitarian mission, then we must say so clearly. The Blue Helmets should then withdraw and leave the way open for a multinational intervention force. Personally, I think that would be stupid. Pure folly.

[Duplovich] What do you think of the creation of a Rapid Reaction Force [RRF]?

[Owen] That is undeniably a very good thing. In their time General de Lapresle and Sir Michael Rose wanted to have such a force at their disposal: One that was mobile and operational at any time. The international community has thus given itself the resources to put pressure on the Serbs. This is in line with the peacekeeping mission of the Blue Helmets: To persuade rather than shoot.

[Duplovich] You seem to fear that UNPROFOR will be caught up in the spiral of war. In that case would it not be better to withdraw it?

[Owen] No, not yet. The consequences of withdrawal would be dreadful. This is precisely what UNPROFOR has managed to avoid for three years. I know it is fashionable to talk about the failure of the EU and its inability to settle a conflict in its own back yard. We are forgetting that this is a conflict in a country which was communist until 1990 and which is still fraught with the values of Communism, one of which is a distrust of the truth. We are forgetting that in Bosnia there is an immense difference between peoples and those who speak on their behalf. This is not a simple war. This is a war in which external aggressive elements, elements of grotesque inequality, and the vile practice of "ethnic cleansing" play an important role.

[Duplovich] In the name of morality the United States is advocating the lifting of the arms embargo that is primarily affecting the Bosnian troops. Do you share this opinion?

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[Owen] One of the current difficulties lies in the bellicose language used in the United States: the use of air strikes, the call for reprisals against the Serbs, etc. We are forgetting that arming the Bosnian Muslims means arming the Croatian-Muslim Federation, and therefore the Croats. It also means agreeing to have the Russians—either directly or indirectly—arm the Serbs. Who can actually think that the solution to the conflict lies in boosting the firepower of one side or the other?

Furthermore, this option is incompatible with keeping UNPROFOR on the ground. The Americans, who do not have troops in Bosnia, should follow Germany's lead and show a decent amount of caution. It should not decide on military actions that expose UN soldiers.

[Duplovich] You are very hard on the United States.

[Owen] Yes, because it criticizes European policy, which is consistent. It [European policy] is supported by its 15 member states which are contributing massively in terms of money, hardware, and troops on the ground to the humanitarian mission. So I will not let the United States lecture me after the fiasco of its operation in Somalia.

[Duplovich] Should the Blue Helmets' mandate be changed?

[Owen] No, there is no reason to change it. We must resist the temptation to transform the humanitarian mission into armed intervention. The question is knowing whether it is possible to continue the humanitarian operation with six "safe areas" to be covered. Moreover, the principle of "safe areas" is a mistake because UNPROFOR does not have the resources to protect them. All of the speeches, all of the condemnations, and all the headlines in the newspapers will not change that.

[Duplovich] Why not give UNPROFOR the resources to carry out its mission?

[Owen] The question must be asked in clear terms: Are the countries which contribute to UNPROFOR prepared to further risk the lives of their soldiers?

[Duplovich] What role can Slobodan Milosevic play?

[Owen] Milosevic is a haughty Serb, but he is exasperated by the attitude of the authorities in Pale. He feels that the Bosnian and Croatian Serbs have obtained sufficient guarantees about their autonomy and borders. He can have an influence on General Mladic, but he cannot control him. There is an outright vendetta between him and Karadzic. And he is expecting to be considered in a more dignified manner by the West since he is applying pressure.

[Duplovich] You have spent three years trying to resolve the conflict. Today you are giving up your mission without an accord having been found. Are you bitter?

[Owen] I tried to do everything humanly possible. There comes a time when one has to notice that it is impossible to do more. The EU has supported me throughout these three years. We have had differences of opinion. Not everything I suggested was accepted. My style can also be debated, but the Union loyally supported the Vance-Owen plan. It did make a mistake: accepting a compromise with the Americans in the hope that they would cooperate more closely. The plan was blocked and those responsible for blocking it bear a heavy responsibility in the current situation.

B-H Army General Views Recent Developments

AU0706204295 Zagreb GLOBUS in Serbo-Croatian 2 Jun 95 pp 5-6

[Interview with General Jovan Divjak, deputy chief of the General Staff of the Army of Bosnia-Herzegovina, by Antun Masle; place and date not given: "The Strong Bosnian Army That Has Been Armed by the Islamic Countries Does Not Exist: the Army of Bosnia-Herzegovina Has Only 40 Tanks, Five Helicopters and 20 Multiple-Rocket Launchers!"]

[FBIS Translated Text] "We are sitting and waiting," was the answer of UNPROFOR's [UN Protection Force] spokesman Alexander Ivanko to the question of what the United Nations will do to free the several hundred Blue Helmets who have been captured by Karadzic's and Mladic's Serbs and exposed to ridicule when these tied them up to some potential NATO air-strike targets. "We are to sit and wait," Ivanko says, "until a decision is made by the authorities at the highest level." Until then the Serbs are holding 364 UN soldiers whom they disarmed and took prisoner in the areas of Sarajevo, Pale, Gorazde, Visegrad, and Banja Luka. In addition to the soldiers, the Serbs have captured at least 10 armored vehicles and five light tanks from the French UN battalion after the raid on the French checkpoint at Vrbanja bridge in Sarajevo.

In the last several days Sarajevo has partly been left without electricity, because Pale has cut off sources under its control. The only remaining source is the electric cable that goes through the tunnel under the Butmir runway, by which electricity is conveyed from the Hrasnica transmission line to a part of Sarajevo. In the several artillery attacks carried out on Saturday and Sunday the Serbs managed to damage the transmission line in Hrasnica, but since the damage was not great the transmission line was successfully repaired.

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The capital of Bosnia-Herzegovina, whose citizens until now were getting running water once or twice every two days, has been totally without water since Saturday. Pale has cut off the water supplies from Bacevo and wells at Mt. Jahorina, so that the entire city has been without running water, except for several spots where the 1st Corps of the Army of Bosnia-Herzegovina [B-H Army] brings in tank trucks with water.

The humanitarian situation has been increasingly difficult for two months already, since the airlift was terminated, while prices have soared in the last month. For instance, one liter of diesel costs 6 German marks [DM], while a liter of gas costs DM10. Fuel is coming into the city through the underground tunnel as well, but priority in its distribution is given to the forces defending Sarajevo.

According to information we received from sources close to the General Staff of the B-H Army, the 1st Corps (the Sarajevo Corps) counts 25,000 troops, 5,000 of whom are deployed outside the ring around Sarajevo. According to our source's estimate, 4,000 troops cannot be deployed in offensive actions, because those are local members of the territorial defense who are protecting their settlements and homes. Around 2,000 members of the 1st Corps are not involved in military formations, while as for the remaining 14,000 soldiers, one half of them have small arms, while the other half do not have any sort of arms at all.

These data show the deceptiveness of the advantage in manpower that the Bosnian Army has on the Sarajevo front, because the unequal relation in equipment is far more evident. Three and a half years have passed since the beginning of the war, and the defense of Sarajevo is still sustained by no more than 20 or so pieces of artillery and five tanks. The 1st Corps of the B-H Army today has three tanks of the oldest type, namely T-34, and two T-55 tanks. The artillery consists of four BST guns, four ZIS 76-mm guns, eight 120-mm mortars, and four 105-mm howitzers.

True, the Corps has a considerable number of shoulder-held antitank and antiaircraft rocket launchers, as well as a certain number of Red Arrow guided antitank missiles, but this entire equipment is insufficient for offensive actions necessary to break the blockade of Sarajevo. Even though we have seen for ourselves that the construction of the Serbian bunkers hardly makes them unconquerable fortresses, the 1st Corps does not have arms at its disposal by which it could protect what it has seized.

For instance, the seizure of the famous Spicasta Stijena [Pointed Rock] peak, from which the Serbian snipers and artillery fired at Sarajevo every day in the past three years, would be possible, but the forces that would carry out that operation would not be able to keep the position because of the strong Serbian artillery positions around Sarajevo.

Targets of NATO Air Strikes

The NATO air strikes have not in any way influenced a change at the demarcation lines between Karadzic's forces and the Bosnian Army. After the air strikes the intensity of fighting has reduced a little. We discussed the results of the air strikes and the current situation in Sarajevo and other Bosnian battlefields with General Jovan Divjak, deputy chief of the General Staff of the B-H Army.

[Masle] What are the results of the NATO air strikes against the Serbian fortified positions around Sarajevo?

[Divjak] The target of the raid was well chosen. It was a large depot of explosives, artillery, and mortar ammunition located in Koran village near Pale, where a part of the military complex of FAMOS [Engines Factory Sarajevo] Industries is based as well. FAMOS manufactures engines for various types of armored vehicles and transporters and is one of the best secured buildings in the entire territory of the so-called Serbian Republic, which is the reason why the raid was repeated. The goal of the raid was not several different facilities, as was thought, but rather the depot at Koran alone, whichcould not be possibly destroyed in the first run. According to the data that we have, the Koran depot was completely destroyed as the result of three air strikes by NATO aircraft.

[Masle] What does the destruction of such a military facility mean for the Army of the Serbian Republic?

[Divjak] It means the cancellation of all plans for 15 to 30 days until they get new supplies from the Army of the so-called FRY [Federal Republic of Yugoslavia], which still provides Karadzic's forces with necessary equipment on a regular basis. For the B-H Army that means a respite. The NATO air strikes did have a certain effect. The frequency of the Serbian artillery attacks against Sarajevo has already decreased.

Status Quo

[Masle] In mid-May the B-H Army launched an offensive toward the most vulnerable spots in the Serbian ring around Sarajevo, but without any results. Moreover, the Serbs took some positions previously held by the 1st Corps. How many attempts at breaking the blockade around Sarajevo have there been so far?

[Divjak] According to our data, Karadzic's forces, which are not under UNPROFOR's control at the battle

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lines around Sarajevo, have more than 300 pieces of artillery with calibers greater than 12.7 millimeters. Besides, little by little they have regained possession over all the arms that were supposed to be under UNPROFOR's control. Compared with such potentials, the B-H Army stands no chance of fighting an equal battle. The fighting that broke out in mid-May was not an attempt at breaking the blockade around the capital, because no objective capacities exist for an operation of that extent. In order to break the blockade one has to provide considerably greater technical and material means than those owned by the B-H Army. In the fighting that preceded the NATO air raids and the conflict between the Serbs and UNPROFOR, Karadzic's forces made some breakthroughs in the area of Debelo Brdo hill and Spicasta Stijena, but they did not stay long there because the B-H Army's forces forced them back to their initial positions. The balance of forces today is such that the B-H Army cannot advance out of the ring without considerable reinforcement, but neither can Karadzic's forces do that as well. A status quo has been established.

[Masle] Which means that in the latest attempt the B-H Army has failed to do anything about it as well?

[Divjak] Considering Mladic's statement acknowledging that the B-H Army holds under its artillery control the communications from Vogosca to Pale and from Lukavica to Mt.Trebevic, and also that our position is better than before the latest fighting, some advancement has been achieved.

[Masle] To what extent did the ever-greater concentration of various Serbian para-armies coming from Serbia and led by Vojislav Seselj influence the outbreak of fighting? Is that a real danger, or is it only Seselj's new media promotion?

[Divjak] In the area around the Jewish cemetery there is a unit financed by Seselj's party. It involves 60 snipers who shoot all over the city every day. In the latest fighting the commander of that unit was killed, a certain Aleksic. Seselj has tried again to make his personal media promotion in his own manner. According to his own confession on Pale television, Seselj himself shot a Sarajevan from the Jewish cemetery. To make the irony even greater, Seselj's victim happened to be a Serb from Sarajevo, a man who throughout the war regularly performed his work in the Velepekara firm, which is to say he was an honorable citizen. One of his sons was killed as a member of paramilitary Serbian units, while the other son, an invalid, also went over to the Serbian side. So it happened that Seselj actually killed a Serb, the father of his fellow fighters. This example is just one of many absurdities of the Bosnian bloody war. Sarajevo has been particularly targeted, because our capital is the model according to which the fate of all of Bosnia-Herzegovina will be resolved. On the question of whether Sarajevo will remain multicultural and multiethnic depends the fate of the state. The Serbian extremists are aware of this as well, and for that reason they are so filled with wrath against this city and its citizens.

Imbalance

[Masle] Still, the fact is that the 1st Corps of the B-H Army cannot offer better protection to the citizens of the city, whom the Serbs have been massacring from their positions for more than 37 months. Why has not there been any retaliation against Pale?

[Divjak] There are no objective conditions to break the blockade of Sarajevo. When speaking about the lack of weaponry that would enable us to respond equally one must not forget that the relation ought to be understood as an extremely unequal relation: several hundreds of guns against several dozens of guns. Thereby I refer to heavy artillery.

For instance, we in Sarajevo have never had arms like the 122-mm howitzer, or the 152-mm one. That is the reason why Pale can possibly terrorize Sarajevo, or as you put it, why there has not been any retaliation. If the 1st Corps had a few mortars, guns, or howitzers, the balance would certainly be established, and it could not have possibly happened that the aggressor is pounding for such a long time and by all means available the only route by which supplies are coming into Sarajevo, namely the road from Hrasnica via Mt. Igman to Pazaric. the greatest responsibility for such a situation lies with the international community because it insists on the arms embargo.

[Masle] What are the chances to break through the ring in a coordinated action together with the Croatian Defense Council [HVO] from the direction of Kiseljak?

[Divjak] The HVO unit that controls the area of Kiseljak is neither strong nor large enough for any serious action, but its assistance would have a great moral and psychological significance. Generally seen, the HVO and the B-H Army would be able to make a significant turn together, but that is not the attitude of the Croatian political leadership. They frequently explain their attitude by saying: "We are interested solely in the regions where Croats make up a majority." The consequence of this is that there are fewer and fewer Croats in both Bosnia and in Sarajevo. The only real care for the Croatian people in Bosnia is taken by the Catholic Church, Cardinal Vinko Puljic, Bishop Komarica, and the provincial of Bosnia Srebrena [Silver

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Bosnia, a term used by the Bosnian Catholic Church in the Middle Ages, refers to central Bosnia], Friar Petar Andjelovic.

[Masle] Why does the B-H Army not get its arms through the Croatian territory?

[Divjak] The problem is in the Croatian policy. If the Croatian authorities were willing to let arms get to Bosnia-Herzegovina through their territory, the B-H Army would not remain inferior for long. I think there exists mutual distrust between the extremists in the Croatian authorities and the same sort of people among the Bosniaks. Late in 1994 the agreement on military cooperation between the Croatian Army and the B-H Army was signed in Zagreb, even though as early as then many doubts were expressed regarding who needed that agreement, as a matter of fact. At the time the Croatian Army was advancing toward Mt. Dinara and Gospic, while in the HVO one could hear opinions that the B-H Army could possibly use the opportunity to attack western Herzegovina. For that reason the Croatian authorities are preventing any greater quantities of arms from reaching Bosnia-Herzegovina. Financial means are no problem, because we have a lot of sponsors who would help us. In all this Croatia could make a much greater profit for itself as well.

[Masle] It is said that your army has received considerable aid from Iran.

[Divjak] Bosnia-Herzegovina has allies, but their aid is, as a rule, only verbal. For instance, Turkey is one such ally. In the case of Turkey its verbal aid is quite understandable because that country is a member of NATO. The media have overstated the aid that Bosnia-Herzegovina has received from Iran.

For instance, two Hercules can carry 40 tons of load, while only one middle-category tank is heavier than that. Many people are trying to ascribe to Bosnia-Herzegovina great influence in the Islamic world and huge aid coming from there, yet what kind of aid is it when an army counting 260,000 troops has only 40 tanks, five helicopters, and 20 multiple rocket launchers? The B-H Army really does not have any more heavy weapons.

[Masle] What will happen if it comes to the withdrawal of Blue Helmets from Bosnia-Herzegovina?

[Divjak] I am sure that three scenarios will quite certainly not happen: First, Slobodan Milosevic will not recognize Bosnia-Herzegovina; second, Blue Helmets will not withdraw; third, there will be no more air strikes against the Serbs. As for the UN soldiers who are held hostage, a solution will most probably be sought through a mediator that stands closest to Serbia, and in that game Milosevic will most probably score points again. UNPROFOR will not withdraw because if the French were to withdraw, they would be replaced by the troops from one of the Islamic countries that offered their help even long ago.

Muslim Ambassador Accused of War Crimes

95BA0234Q Belgrade BORBA in Serbo-Croatian 15 Apr 95 p 4

[Unattributed article: "Ambassador With Bloody Hands"]

[FBIS Translated Text] Belgrade—In Gorazde, under Muslim control, declared to be one of the five demilitarized zones in the former Bosnia-Herzegovina, one of the biggest cases of the ethnic cleansing of Serbs on the territory of the former Yugoslavia was carried out.

The crimes against Serbs in that city were also covered in a special supplement to the federal government's report on war crimes on the territory of the former Yugoslavia.

The war presidency formed in May 1992, which took over the responsibilities of the municipal assembly in wartime, made the decisions on killing Serbian civilians in Gorazde, as well as on housing them in camps ("isolation centers").

Hadzo Efendic, until then president of the municipal assembly, became the head of the war presidency, and SDA [Party of Democratic Action] leaders became members of the presidency. On orders from Efendic, the murders committed were subsequently covered by "verdicts" from a so-called court-martial.

Efendic formed the court-martial after some Muslim commanders, former JNA [Yugoslav People's Army] officers, opposed the killing of Serbian civilians without any trial at all.

Efendic offered the position of president of the court-martial to Sejo Imamovic, a former Basic Court judge in Gorazde, but he refused, considering that a court-martial could not be formed for civilians and that regular judicial procedures had to be followed in the trial.

At Efendic's request, the position of president was accepted by Kemo Djuliman, previously a judge for misdemeanors in Gorazde, who signed the verdicts for about 100 Serbs who had been killed.

Efendic held the position of president of the war presidency until February 1993, when he moved to a new job in Sarajevo, and then was appointed ambassador in Vienna.

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Count of Bosnian War Victims Estimated

95BA0234O Belgrade POLITIKA in Serbo-Croatian 16 Apr 95 p 14

[Article by Radovan Kovacevic: "More Than 200,000 People Estimated Dead"]

[FBIS Translated Text] *Why Muslim soldiers die most; crimes like the one on Igman cannot be denied; controversies over the Sarajevo massacres in the bread line and in Markale Square.*

Mortar shells fired at Sarajevo allegedly wounded seven school children the day before yesterday.... Polemics are developing between the Serbian and Muslim headquarters over who fired them. There are increasingly stronger suspicions that this was the kind of bloody scenario that has been seen earlier, and General Ratko Mladic is seriously warning the commander of UNPROFOR [UN Protection Forces], General Rupert Smith. "You are accusing the Serbs without a single fact, but ignoring the offensive by the Muslim Army on Majevica and Vlasic, as well as the Croatian Army's offensive against Glamoc and Vlahovo...," reproaching him for the announced NATO air strikes.

Rogatica Graveyard

As far as Sarajevo is concerned, after 10,000 dead (2,000 of which were children), as well as 60,000 wounded (of whom 1,700 are crippled), the latest shootings are only a statistical expression of the continuation of the hell of war.

It started more than three years ago with an armed attack against Serbian wedding guests in the downtown area. Alija Izetbegovic immediately hurried to blame that crime on the Serbian side, "which staged it." Two years later, Ramiz Delalic Djelo, one of Alija's confidants (a brigade commander), admitted before TV cameras that he had killed one wedding guest and wounded one.... The war started, and since then more than 200,000 inhabitants of Bosnia-Herzegovina, of all nationalities, have lost their lives.

These are estimated losses, because the belligerents very rarely publish reliable information on their losses. On the other hand, those losses are regularly exaggerated in propaganda competitions, to demoralize the enemy side. At graveyards it is much clearer who dies and what kind of dramas those deaths cause.

[Text missing from original] the Washington Agreement on the Muslim-Croatian Federation, according to data from the HDZ [Croatian Democratic Community] for Bosnia, more than 40,000 Croats had to flee from their homes in the face of crude violence. They still do not have much hope of returning, nor do the 192,000 of their compatriots who had to flee during the one-year Muslim-Croatian war.

Many crimes are obvious to the point of being undeniable, such as, for example, when Muslim soldiers suddenly attacked the Serbs on Igman, three kilometers inside the demilitarized zone under the protection of UN forces. In that massacre last spring, 17 soldiers and three nurses died.... There are many more tragic events that constantly cause misunderstandings. When 17 people died and 15 were wounded while standing in line for bread on Vasa Miskin Street in Sarajevo in the spring of 1992, it was in vain that the Serbs tried to prove that they were not involved.... Just recently, THE WASHINGTON TIMES published information about the book *Helpless Blue Helmets* in which the author, Major France, "refutes the accepted truths and confirms the Serbian claims that were officially rejected." According to him, the Muslim Government, which "carefully staged the crime," was responsible for the massacre in the bread line, as well as in Markale Square.

"Rabble" From Breza

Chroniclers of the Bosnian war think that the Muslims have had the most casualties in the battles. In the beginning, militarily very poorly organized, they were driven into action by the "rabble" system in order for their larger manpower to prevail against the better-armed Serbian enemy. The captured M. Dj., a butcher from Breza, related the essence of his military "campaign" as follows to an intelligence officer from the Hadzic Brigade two years ago. The officers brought 800 of them to Plijes Hill, and told them that they could continue on, because there were no more Vlahs anywhere! Just a few hundred meters further on, they encountered mines, and then they were surrounded by a Serbian battalion.... Since then all sorts of things have changed on the Muslim side, but their soldiers are still dying on a large scale. In just the first day of the offensive against Majevica, according to Serbian sources, more than 100 of them were left in front of the Serbian trenches. In the bitter assaults on Stolice and Banj Hill, in the following days, approximately 300 more of them died.

How much can one trust the data from the republic of Srpska army? Perhaps an answer is given by information from Gracanica, where recently the mayor there, Hazim Vikalo, killed Osman Buljosevic in a crowd. This was the unfortunate father who, together with many other fellow citizens, demanded an answer from the authorities about where 40 of their sons, mostly theology students in Tuzla, had disappeared.

Willingness to "sacrifice for higher goals" is emphasized in statements by representatives of all three armies. It

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nevertheless seems that Izetbegovic went furthest in this, when he stated recently, according to one agency, that he was willing to sacrifice as many as 30,000 people to conquer the Sava basin! The assessment on the Serbian side is that this could be the "battle of all battles," because Brcko and the corridor are involved. That is why that part of the front is defended by two corps. Military experts, however, are more and more often coming out with analyses that none of the belligerents is capable of achieving a decisive military victory in this war, which ought to encourage rational consideration by the strategists and politicians about ceasing further bloodshed.

Daily Discusses Rift in Muslim Community

95BA0234A Ljubljana OSLOBODJENJE in Serbo-Croatian 13 Apr 95 p 25

[Article by Dusan Joksic: "Rift or Only Gossip?"]

[FBIS Translated Text] *"We are not taking the slanders heard in the corridors seriously, because they are only a reflection of our Balkan mentality," says the head of the Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] Islamic Community, although the situation in the field refutes him to a great extent.*

Strong waves, which some people are interpreting as a schism, others as upheaval, and still others as ordinary, normal processes have splashed across the Macedonian Islamic Community. Regardless of the different angles for viewing the events in, and within the framework of, the Islamic Community, the criticisms that this religious community is assuming a dominant Albanian orientation at the expense of and to the detriment of believers from the ranks of the Turks, Bosnian Muslims, Macedonian Muslims, or Gypsies are certainly not coincidental. At the same time, the facts that the large and influential Tetovo committee has separated from the Macedonian Islamic Community, that it is now acting as the Tetovo Islamic Community, that the Resen committee has done the same thing, that independent Bektesa and Tarikata communities have appeared, that certain mosques in Skopje do not recognize the legitimacy of the Islamic Community's leadership, and that the Shiite faction of Islam has noticeably spread, nevertheless indicate something.

"We do not take the slanders that are being heard in the corridors too seriously, because they are only a reflection of our Balkan mentality," said Haji Sulejman Efendi Redzepi, president of the Mesihat.

In spite of this assessment, a few days ago the head of the Macedonian Islamic Community was forced, more than ever before, to answer accusations, to interpret relations within the community, and to calm down believers of the Muslim faith.

The first to announce that something was wrong within the Islamic Community were people from the former Tetovo committee, now called the Tetovo Islamic Community, president Nedzadi Efendi Limani and secretary Alifekri Esati. In addition to criticisms about the way that the Mesihat was managed, they also claimed that last December the constitution of the Macedonian Islamic Community was adopted illegitimately, because the required number of believers did not vote for it.

Because of those accusations, and with the explanation that they had not followed the regulations, norms, and constitution of the Islamic Community, as well as because of an attempt to secede and form another Islamic Community in Tetovo, those two former officers were fired.

"Those are two criminals backed by Jakub Selimoski, who are trying to create a second Islamic Community in Macedonia. Conducting intrigues below every level, Selimoski is trying to create dissatisfaction among believers in order to turn it against the Mesihat, and in order for himself to appear as the savior of the Muslim people in Macedonia, and in the end to appoint his own pawn to head the Mesihat and administer it himself from the shadows," we were told back at the beginning of February by the Islamic Community head, Hadzi Sulejman Efendi Redzepi, and thus in a way he announced the struggle that is still going on, with the former president of the Mesihat of the Macedonian Islamic Community and the former Reis-ul-Ulema of the late Socialist Federal Republic of Yugoslavia.

The "man in the shadows," Hadzi Jakub Selimoski, spoke out publicly for the first time after the broadcast, on private Macedonian TV stations, of a video cassette "produced" by the Committee for the Preservation of National Unity in Geneva, in which he was accused of being the main culprit behind the split in the Islamic Community and was described as a "traitor to the religion and to the Albanian people." At a news conference, and then in numerous public appearances and interviews, Selimoski put the entire blame for the rift on the leadership of the Islamic Community in Skopje.

"There has never been as much centralization in the Islamic Community as there is now, and the roots of the rift should be sought in irresponsible management. The entire authority is reduced to one person, and the current management's management style is based on group thinking, thus exerting pressure on the basis of unanimity. It can all lead to a schism on an ethnic basis," said Hadzi Jakub Selimoski, who added that "there are

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forces that by skillfully camouflaging Albanian interests are causing feelings among other ethnic categories in favor of initiating a process of independence and separation."

Commenting on the thesis about domination of the Albanian part and the influence of politics on the Islamic Community, Selimoski said:

"It seems to me that the current leadership of the Islamic Community is trying to enter other spheres of activity that are not religious. The prevailing thesis is that the Islamic Community is discussing problems that exclusively affect the Albanian ethnic category. That is tragic, and may lead to a schism. It has even happened that sermons in the Turkish language have been banned."

Forced to respond to these accusations, the current president of the Islamic Community, Hadzi Sulejman Efendi Redzepi, simply said that none of it was true. "A few people, mercenaries, who came into conflict with the Islamic Community because of their careerist tendencies, who are governed by dubious associations and individuals, cannot create a schism anywhere in the world, and can only lead to marketplace slanders. That is Mr. Selimoski's schism."

Commenting that he had been in the Islamic Community for more than 20 years, Hadzi Sulejman Efendi Redzepi emphasized that centralization was most drastically manifested precisely under the rule of Selimoski, "whom I must mention, completely against my will, because, even though he is completely incompetent, he is assuming the right to talk about 'centralization' and 'irresponsible management.'"

The president of the Islamic Community's Mesihat also answered other accusations: "I have never concealed my meetings with political figures, and with the representatives of various parties and associations that thought at a given time that it was necessary for them to contact us." Commenting that the Islamic Community did not engage in politics, he asked, "Can someone really accuse us because our believers constitute the constituency of the Albanian political parties?" He added: "Islam does not recognize any sort of division among believers, neither ethnic, nor racial, nor professional, nor social." He illustrated this with the example that the Skopje mufti is a Turk, the director of the Isa Begova Library is a Macedonian Muslim, and that four Gypsies have been admitted to the Medresa....

"The claims that sermons in the Turkish and Macedonian languages are banned are ordinary stupidity and lies, because anyone who banned that would have to wash his hands of Islam forever, and I am not aware of any such people in the current Islamic Community leadership," Redzepi stated decisively.

As always, the believers have more or less stayed out of this sort of public duel between the former and present heads of the Mesihat of the Macedonian Islamic Community. They probably also have something to say. Only when they speak out will certain things become much clearer. Until then, announcements are coming from Tetovo that they will unite with other committees, and "with the Mesihat only if an Islamic Community constitution acceptable to everyone is adopted democratically."

Federal Partners Fail To Agree in Mostar

95BA0234R Belgrade BORBA in Serbo-Croatian 15 Apr 95 p 4

[Unattributed article: "Arbitration for the Federal Partners"]

[FBIS Translated Text] Belgrade—The Croatian and Muslim delegations at negotiations held at the headquarters of the European Administration in Mostar were not able to reach any agreement on the formation of mixed cantons—the Neretva and Central Bosnian ones—as Croatian Radio reported today.

The same source claims that the Croats insisted on observing the constitution of the Muslim-Croatian federation and the provisions of the Bosnian Agreement, while the Muslim delegation proposed that the formation of these cantons be done on a parity basis.

The Croatian Radio correspondent believes that the starting points of the federal partners in these negotiations are so far apart for now that assistance from an international arbiter will be needed to establish the Muslim-Croatian federation.

According to the Bonn Agreement, the complete formation of all the cantons in the Muslim-Croatian federation was supposed to be done by tomorrow, 15 April.

Customs Regulations Seen Dividing Federation

95BA0249L Ljubljana OSLOBODJENJE in Serbo-Croatian 20 Apr 95 p 6

[Article by I. Polimac and H. Arifagic: "As of 1 May, a Checkpoint Within the Federation"]

[FBIS Translated Text] Since adoption of the conclusions of the Government of Bosnia-Herzegovina on the problem of carrying goods over the territory of Herceg-Bosna, there have been no official reactions from the "Croatian Republic." Except only that a news release announcing adoption of restrictions, that is, blockades

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in highway traffic "as of 1 May 1995," was distributed by the media in Sarajevo through the office of Kresimir Zubak, president of the federation.

Even before the session of the government was over, it turned out that Dr. Hasan Moratovic, minister, was correct when he said that "in the so-called Herceg-Bosna they are constantly finding new forms of financing with which they fill the budget and private pockets in that quasi-state." The news release itself from the Ministry of Transportation and Communications of the "HR HB [Croatian republic of Herceg-Bosna]" shows that the move of restricting transportation was prepared long ago: It refers to a decision of the "government of the HR HB" dated 30 September 1994.

Arguments From Herzegovina

The news release announces that as of 1 May the Decree on Adoption of the Law on International Highway Traffic would be consistently applied at "borders" between the federal districts of "Herceg-Bosna"; that decree requires registration and certification of all bus lines crossing Herceg-Bosna, and permits are introduced for trucks.

According to the first reactions of carriers on territories under control of the Army of the Republic of Bosnia-Herzegovina, this could cause big problems and, by all appearances, a total transportation blockade.

Is there occasion for such a procedure?

"There are numerous issues in the area of highway traffic that need to be resolved and regulated in legislation at the federal level; for instance, international highway traffic and the issuing of permits and registration of bus lines. The technique and procedure for registering bus lines is simply not being arranged and established at the federal level. Permits for international highway transport are not being distributed according to the needs of carriers on the territory of the HR HB, nor is the agreement on distribution of these documents in a manner suitable to the carriers there being accepted. Nor are there agreements in principle between the federal partners, and the marginalization and absence of the participation of Croatian representatives in connection with international cooperation could possibly have unreckonable harmful consequences," OSLOBODJENJE was told by Adam Dzoic, deputy minister in the Government of the Republic and Federation of Bosnia-Herzegovina at the beginning of that session, when neither the news release nor the conclusions of the Government of Bosnia-Herzegovina were known.

Representatives of "Herceg-Bosna" reproach legal bodies of the Government of Bosnia-Herzegovina for having prohibited the use of existing license plates of the HR HB in international traffic, which resulted from the nonexistence of a federal law that would deal with that subject matter uniformly. This made it impossible for vehicles and drivers from the HR HB to participate in international transportation.

A Measure Against the Federation

"Although the competent federal ministry is informed about this problem, no actions to surmount the problem have been taken," Dzoic said, and he announced even then that this could "cause adoption of protective measures by the HR HB." The deputy minister of transportation and communications of the federal government therefore advocated several days ago that these disagreements be worked out.

Similar criticism is contained in the news release from "Herceg-Bosna," but Kemal Karkin, assistant minister of transportation and communications in the Government of the Republic and Federation of Bosnia-Herzegovina, who is responsible for transportation, says of them:

"Our attitude in conversations with representatives of 'Herceg-Bosna,' when it is analyzed, was extremely flexible. This seems to have been mistakenly conceived, and the tendency now is to be completely independent in making decisions and in relations with foreign countries. But such powers, under all conventions, go exclusively to internationally recognized entities, that is, to the Republic of Bosnia-Herzegovina. It seems that dissatisfaction is a constant in the behavior of 'Herceg-Bosna.'"

The following figures show that the ministry in question has not been practicing any marginalization at all: During last year, 70 percent of all the permits for international trucking were for carriers from territory under control of the HVO [Croatian Defense Council]. In recent days, they have been sent a new and third group for this year in the amount of 300 permits for Germany, Austria, and Slovenia, and 180 for the Czech Republic, Slovakia, and Italy.

"'Herceg-Bosna' has no power whatsoever to make any kind of decisions on transportation or its limitation. The measures announced are an act of coercion directed against setting up the federation," says Ibrahim Koluder, minister of transportation and communications in the Government of the Republic and Federation of Bosnia-Herzegovina. He added that similar restrictions are applied in transportation between two internationally recognized states, but on the basis of a bilateral treaty. Of course, in the specific case there is only one state, and that certainly is not "Herceg-Bosna."

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Out Into the World With License Plates From Bosnia-Herzegovina

They also say in the ministry that bus lines between states are based on a treaty between them. On that basis, Bosnia-Herzegovina has a certain and naturally limited number of lines with neighboring and European countries. In practice, all the old carriers were given a verification of the lines established earlier, regardless of where their headquarters are. A regulation was also adopted on the allocation of lines, and this was accepted by both sides, but now the people in HB are disputing it. To be sure, the approval procedure is rather lengthy, but it is the same for all potential passenger carriers.

As for license plates and transportation documents, Minister Koluder emphasizes that this matter is in the domain of the Ministry of Internal Affairs, but he recalled that all the forms have been brought into full conformity with international conventions.

"Within the federation no problems are being raised, as far as I know, even concerning vehicles with license plates of 'Herceg-Bosna.' They can go out into the world with plates of an internationally recognized state," Koluder recalls. He believes that the announced measures will not be implemented by "Herceg-Bosna," because we can "expect reason to prevail." For that matter, international arbitration can also be requested if necessary.

Federal Partners in Conflict Over Customs

95BA0249K Ljubljana OSLOBODJENJE in Serbo-Croatian 20 Apr 95 p 6

[Article by I.P. and H.A.: "Economic Terrorism"]

[FBIS Translated Text] The Government of Bosnia-Herzegovina framed the judgment in an extraordinary session that the decree on temporary measures for the importation and trade in products adopted by authorities operating on territory under the control of the HVO [Croatian Defense Council] does not conform to federal regulations and is causing consequences for the entire territory of the federation.

Application of that decree is causing a halt in trade, and the consequences are large material losses that jeopardize achievement of the objectives of economic policy, especially those in need of production incentives. All of this could essentially influence the country's defensive capabilities.

Proceeding on the basis of this assessment in the form of a conclusion, the government is demanding that passage be immediately accorded unconditionally to all goods, especially those goods necessary for the spring planting. A further halt in the delivery of seed, fertilizer, and chemicals for plant pest and disease control seriously jeopardizes the meeting of agrotechnical deadlines, and this could have far-reaching consequences in fulfilling the plan for the spring planting and dressing the fall crops, that is, for yields, which would inflict irreparable damage on the entire federation.

The government insists on consistent application of the Instruction on Customs Procedure and the Use of Bank Guarantees that the minister of finance issued on 20 July of last year, which presupposes acceptance of guarantees issued by commercial banks from the entire territory of the federation.

The government has been trying in successive conclusions to consistently implement the Decision Opening the Doljani Border Crossing, the Decision Opening the Capljina Border Rail Crossing, and the Decision Establishing Federal Police Units. All of this was agreed on and confirmed earlier in the Bonn Agreement. The minister of finance is given responsibility to propose to the government no later than the end of April of this year measures to establish the customs system of the federation. If these resolutions of the government are not implemented by that time, the aid of the international community will be requested, above all that of the UNPROFOR [UN Protection Forces], a federal arbiter, and other organizations and institutions; in that way, their presence would guarantee at least one customs checkpoint and the exporting of convoys with all goods from the border of the Republic of Croatia and the Republic of Bosnia-Herzegovina from and to territories under control of the Army of the Republic of Bosnia-Herzegovina.

The extraordinary session began with a repeated observation by Prime Minister Silajdzic that "large quantities of goods we need are standing on the border, and unfortunately so are some for export."

"The government has attempted through its fellow minister to resolve the problem and has shown goodwill, but unfortunately without success to this day. It is all taking on serious political connotations. The deputy prime minister and finance minister have not been here for quite a long time now, yet the headquarters of the government are in Sarajevo. We must agree on conclusions that will be binding, and if they are not respected, let the Assembly have its say. The government is doing what it can, but there will hardly be results until we set the date when federal laws will take effect and the transitional solutions will be vacated. We must think about the day when we will put an end to what has been and say that from now on the federation is beginning its new life, which means with one territory, one treasury, and unified systems. The lack of political

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will is in this way being passed on to the government," Prime Minister Silajdzic said.

Dr. Nikola Grabovac, the only minister from the ranks of the Croatian people who attended the meeting, supported "establishing a D-Day for the federation," supposing that before that the rest of the laws necessary for everything to be able to function would be passed. At the same time, he conveyed the content of a conversation with Neven Tomic, finance minister in the governments of the Republic, the federation, and Herceg-Bosna, which took place just before the meeting began. According to Tomic, not a single truck carrying seed has been stopped, nor is there any such truck at the border.

Faruk Smailbegovic, M.A., replied by saying that the trucks had been turned back from the border, because paying for lay days would have "eaten up what they contained." Dr. Hasan Muratovic added to this that even UNICEF convoys with baby food are not being allowed to pass.

"Herceg-Bosna is constantly finding new forms of financing that are not controllable. A large part of the money is going into private pockets, and the federation will not take on life so long as that is the case. All of this amounts to quasi-governmental economic terrorism, which is unheard of in the world. I know that this is already being studied in friendly countries, because the price of Herceg-Bosna is slowly reaching the chetnik price, and this should be known," Dr. Muratovic said, proposing that the aid of the international community be requested unless the goods start moving in a week.

Dr. Silajdzic again called for all ministers to come to Sarajevo to solve the problems here, and also for the aid of the UNPROFOR to be requested if necessary, but "that ought not to happen, because we are building one state."

RS Government Does Not Recognize Hague Court

95BA0249J Belgrade VECERNJE NOVOSTI in Serbo-Croatian 27 Apr 95 p 6

[News release of the government of the Srpska republic: "We Do Not Recognize the Court of The Hague"]

[FBIS Translated Text] The government and people of the Srpska republic [RS] do not recognize and do not accord any importance to the so-called court of The Hague and its activity. Formation of the court in The Hague and its entire activity are aimed at discrediting the Serbian people politically, erasing its legitimate rights on the space of the previous Yugoslavia, satanization through the media, and support of those who actually started the war, who for the third time in this century have attempted genocide against the Serbs.

The undisputed military and political superiority of the Serbian side in the civil war in the former Bosnia-Herzegovina, the side that was to be annihilated, and its victory achieved by regular means of liberation struggle cannot be proof that that side committed crimes.

Aside from false reports in the media and from missions, aside from the false testimony, aside from the unrealistic and altogether unproven assertions about camps, mass rapes, and ethnic cleansing, aside from the political insinuations of politicians and governments of certain countries, which down through history have given witness of a traditional disinclination toward the Serbian people, there exists no other or firmer evidence of the alleged war crimes of the Serbs.

At the same time, for the crimes committed by the other two sides in the war there are authentic and indisputable testimonies that have not been honored in the anti-Serb campaign and that greatly burden even some of the Muslim and Croatian political and military allies in the world, among them the advocates and sponsors of the court in The Hague. The court in The Hague and similar institutions in the West have directly or indirectly, through their mission members and officials, been put at the service of an attempt to destroy the traces and remove the perpetrators of crimes, as well as their ties and subordination to the highest Muslim and Croatian authorities.

The government of the Srpska republic believes that the very act of establishing the court in The Hague and its activity have given evidence of the criminogenic support of war crimes in the former Bosnia-Herzegovina.

When those who broke Yugoslavia into pieces and by their political decisions and with premeditation provoked the war, when those who armed and supported militarily the enemies of the Serbian people, when those who as international mercenaries during three years of war in Croatia and Bosnia have been destroying Serbian property, carrying out ethnic cleansing, and shedding innocent Serbian blood, and also when those who have been pursuing their own supposed interests in evil and the imperialist ambitions in Vietnam, Iraq, Angola, Haiti, and everywhere where individuals and peoples are oppressed and murdered, from the German genocide against the Jews, Serbs, and Gypsies to the Turkish genocide against the Kurds, are brought before the court for war crimes and are justly convicted, only then will the court of The Hague and similar courts acquire the international credibility to try possible crimes committed by the Serbs in the struggle for their own national rights.

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[Box, p 6]

B.M.: An Anti-Serbian Witch-Hunt

"The institution of proceedings to conduct an investigation against Dr. Radovan Karadzic, president of the Srpska republic, Ratko Mladic, commander of the General Staff of the army of the Srpska republic, and Mica Stanisic, former minister of internal affairs, before the International Court for crimes committed on the territory of the previous Yugoslavia in The Hague represents yet another link in the chain of unscrupulous anti-Serb decisions," states yesterday's news release of the Caucus of Independent Deputies in the RS National Assembly.

With this gesture, the world's powerful figures have for the umpteenth time encouraged continuation of the war in the former Bosnia-Herzegovina, especially encouraging the Muslims not to consent to an extension of the truce nor conclusion of a lasting peace.

The statement of Richard Goldstone, prosecutor in The Hague, that the International Court will also investigate "non-Serb criminals in central Bosnia," which suggests the objectivity of the tribunal, is cynical at best. It divides war criminals in the former Bosnia-Herzegovina into Serb and non-Serb, thereby singling out only the Serbian nationality as criminal, and almost directly accusing it of all the evil that has occurred in the former Bosnia-Herzegovina since 1992, the news release states.

Report From Bosnian Serb Majevica Front

95BA0237A Maribor VECER in Slovene 22 Apr 95 p 35

[Article by Zarko Rajkovic: "There Will Be Peace, If There Is Not That Kind of Cease-Fire"]

[FBIS Translated Excerpt] [Passage omitted]

The War Has Not Even Started Yet

The Serbs succeeded in defending the Stolice relay tower on Majevica. I could see this for myself. Not only did they defend it, but they also recovered the important strategic elevation of Konjic, about 500 meters west of Stolice. It was from Konjic that the Muslim forces' worst attacks against Stolice were conducted. Ljubisa Borovcanin, deputy commander of a Bosnian Serb special police brigade, had no time for any long conversation, and only said the following with military brevity:

"I am afraid that the real war in this area has not even started yet. We have broken the Muslim offensive now. Now we are waiting to see what they will do. What kind of cease-fire are you asking me about? There was never a cease-fire. The Muslims always use a cease-fire to prepare some new offensive. This time, too. They are attacking us from areas that are under the control of UNPROFOR [UN Protection Forces]. That happened previously near Gorazde, and now it is happening near Tuzla. This is how they calculate: The Serbs will not dare to attack the enemy in those safe areas because they will be afraid of retaliation by NATO aircraft and international condemnation of the Serbs again. To tell you the truth, I am fed up with that. There is no more safe area if anyone can attack us from there. Every Muslim offensive started in the middle of a cease-fire. If that is the case, there will not be any more cease-fires! We will achieve peace in this region only when there aren't any cease-fires like that...."

My three-member team settled down in a cave and waited, because a long walk back awaited it. There were also several exhausted soldiers there. One of them was wounded, but they did not worry about him. "It is nothing. A bullet just grazed his head. Otherwise he is all right, as you can see for yourself." I only saw a man with his head bandaged. The bandage was bloody, and the soldier was having trouble breathing. "Don't worry, it's nothing serious. We common soldiers are the best doctors. We know immediately whether a wounded man can be saved. There is nothing wrong with him. He will go on fighting...." So said a veteran of this war with the nickname Puz [Snail].

"Where did you come from?" I asked.

"I am from Belgrade."

"From Belgrade? Then what are you doing here?"

"To tell you the truth, we would have lost Majevica if it had not been for that snowstorm. The Turks were bothered by the bitter cold. The cold hindered them more than our bullets. The peak and the relay tower on Stolice were saved by the police, their elite unit. If not for it, the Turks would have seized all of Majevica by now. Our commander, Ratko Mladic, came here several times by helicopter. He led that battle. Konjic was liberated by the special forces, not by us fighters. After all, what do we know except to shoot blindly? They are professionals. They know that they will hit what they aim at. We common soldiers are different: We sip a little brandy, we smoke a little, whether it is necessary or not. It is a matter of habit. Feel free to write that the Serbs would have lost Majevica and then probably also the corridor between Serbia and themselves if it had not been for that special police unit."

I also asked Puz how many Serbs had died in that offensive and how many of their enemies had.

"I know of four dead fellow soldiers. We had considerable losses on our side, and several times more on

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the enemy's. The Muslims are fools: Snow two meters high, and they attack?! How can one conduct an assault then? We shot them like rabbits. I knew that you would ask me whether we could live together with the Turks again. Believe me, if I had previously wanted everything to stay the old way, all of this would not have happened. It is too late now. We have done too many bad things to each other to be able to look each other in the eyes tomorrow. I myself am still looking for the Turk who killed my brother. It does not matter to me whether there is war or peace. Someday I will find him and pass sentence on him."

The Cossack Is the Biggest Serb

In Lukavica, on the other side of Majevica, I came across a Mongolian! I have known Evgenij Kamnik for several years. Although he is a Mongol, he is of the Orthodox religion. That is why he was in the Cossack army, which occasionally has units on the Bosnian battlefields. These are actually not units, but rather individual expeditions by groups of Cossacks. Karadzic never had money for their participation; otherwise more of them would have come to Bosnia-Herzegovina. Evgenij made an offer to the new rich in Banja Luka to have 1,500 of his Cossacks join the Serbian side. So far the plan has not yet been implemented.

Mongol and Cossack Kamnik has been on the Bosnian front for four months. Previously he was at Bihac, and now he is fighting on Majevica. Before he left for Bosnia-Herzegovina, I heard from his friend Majo Montenegro why Kamnik came to fight in the Balkans. He is not a mercenary. He is only irregularly paid by Pale, like every Serbian fighter. He has been in Bosnia-Herzegovina three times since the beginning of the war.

"I am prepared to go anywhere in the world to defend the cross against Islam. I promised my father that. Three of my best friends, Cossacks, died in previous battles in Bosnia-Herzegovina. Together they were a total of 126 years old. I swore on their graves in Bosnia that I would kill one Muslim for each of those years. So far I have killed 62. Another 64 Turks will therefore have to die; only then will the blood debt be repaid."

Not even the Serbs believed in Evgenij's mission of vengeance. He always left alone for his sniper missions, and as proof brought back the ears that he cut off his Muslim victims.

"Do you want me to show them to you?" he asked me.

"Another time," I answered him. I almost threw up at the mention of something like that. Evgenij then continued:

"If I survive the war, I will stay in Bosnia. I will move into some Muslim house in Skelane on the Drina. No Muslim will be able to cross the river there. Is it really not clear to Europe that we are defending the border against an Islamic invasion right here and now? It is just as in previous centuries. It is now time to settle all the disputes once and for all. You stupidly wondered whether it might not mean World War III. No, it does not. The cross is much stronger than their crescent moon. We have to make use of that superiority now; otherwise it will be too late."

"You are also a fanatic, just like the Muslim mujahedin," I commented.

"You think I am a Christian fanatic? Of course I am! No one who has prayed before the cross has ever declared that Christianity has to conquer the entire world. It is different with Islam. The sacred obligation of Muslims is that Islam has to rule the world! Is that clear to you now, or should I also draw a picture for you?" [passage omitted]

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Martic Protests Against Croat Army Aggression

AU0806095695 Knin Srpski Radio Krajina Network in Serbo-Croatian 1400 GMT 7 Jun 95

[FBIS Translated Text] In his letter to UN Security Council Chairman Detlef Graf Rantzau, RSK [Republic of Serb Krajina] President Milan Martic informed that the Croatian Army attacked the Republic of Serb Krajina on 4 June in the Mt. Dinara region in close proximity to the RSK capital Knin.

Croatia is again committing a crime against the Serb nation. The Security Council's activity shows that it is a patron and an accomplice of the Croatian aggressor and its militant policy. Let me remind you that the Security Council made decisions that unambiguously support Croatia's military plans. The Serb Krajina, which was guaranteed safety by the Vance plan, was the victim of the Croatian Army on the Miljevac plateau, in Ravni Kotari, and in the occupied (?Metka) area and western Slavonia, says the letter.

Furthermore, the president's letter goes on, during all that genocide, instead of punishing Croatia, the UN Security Council punished the victim—the Republic of Serb Krajina. It is not doing anything to force Croatia to withdraw its army and police from the occupied area of western Slavonia, although Croatia and the Serb Krajina signed a peace agreement in March last year and were given guarantees by the UN Security Council.

President Martic wonders about the secret behind the fact that a country like Croatia is allowed to break resolutions of the United Nations, the European Union, the United States, and the Russian Federation and go unpunished. The letter says that there is a lot of evidence to prove that the Security Council supports the Croatian genocide against the Serbs, mentioning the bombing of the Udbina airport, which was carried out by NATO with the Security Council's approval. You made the decision because our air force tried to stop the Muslim offensive from Bihac against the Republic of Serb Krajina and against Fikret Abdic's peaceful Muslims in Velika Kladusa, President Martic writes the UN Security chairman. However, the Security Council did not order air strikes against Croatian airports on 1 May this year when Croatian jets bombed Serb civilian targets in western Slavonia and Serb refugee convoys with women and children. I must say before the court of history that Croatia enjoyed similar support from Hitler in World War II and that it had the same goals then—to exterminate the Serbs and annex Serb territory to the ethnically homogenous Croatian state. President Martic also says that the Serb Krajina wants peace while Croatia wants war. He demands that the Security Council deputy chairman do his best to stop the Croatian war machinery, or the Republic of Serb Krajina will, using God's given and natural right to self-defense, use all available means to protect its nation, ends the letter.

Croat TV Deletes SNS Protest From Broadcast

95BA0234E Belgrade POLITIKA in Serbo-Croatian 14 Apr 95 p 7

[Article by R. Arsenic: "Silence as Protest"]

[FBIS Translated Text] *The Croatian Television editor deleted the appearance by Milan Djukic from the party broadcast because, after a brief statement, he kept silent for the remaining three minutes as a sign of protest against the deterioration of the position of Serbs in Croatia; the story about the "expendable Serbs."*

Zagreb, 13 Apr—Every Wednesday evening, Croatian television broadcasts "From Party Life," in which all the parliamentary parties have the right to use their few minutes to address the public as they see fit. Among them is the Serbian National Party [SNS] (it has three deputies in the Assembly), but for the first time in the history of this practice, its representative did not appear in last night's broadcast, even though SNS President Milan Djukic gave a statement for that occasion.

He was simply removed from the program, which was done by Obrad Kosovac, the new editor of the HRT [Croatian Radio-Television] political news program. Djukic himself gave an explanation today of what was going on.

He gave a brief statement for last night's broadcast, reading as follows:

"The messages of Republic President Dr. Franjo Tudjman to the Croatian people on 8 April 1995 in Gospic belittle the historical role of the Serbian people on the territory of Croatia, and confirm the undesirability of the return of displaced Serbs to their homes. With that kind of messages, it is difficult to expect a political settlement of the crisis through negotiations, least of all quickly. The state of the protection of human rights and freedoms, especially the property and lives of members of the Serbian people, is not improving—quite the contrary. For these reasons, the SNS is devoting the rest of its time in this broadcast to silence, as a sign of protest."

Reaction to the Interview

Djukic spent the three minutes that he had left in the broadcast in a silent protest. Obrad Kosovac obviously did not like this, and so he deleted that contribution from the TV broadcast, even though he had an obligation to allow all the parliamentary parties to make appearances as they saw fit.

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This kind of behavior by the managing editor of Croatian television only confirms that political parties are not equal at this state news institution, and perhaps that kind of action is also a sort of reaction to the interview with Milan Djukic published yesterday in GLOBUS, in which he spoke very critically about the current situation in Croatia. Among other things, on that occasion he said:

"Many Serbs voted for President Tudjman, but he acts as if we did not exist, as if he were not our president. Then why should I respect him? Why doesn't he address us like citizens as well? There are probably other people in Croatia besides Croats. And why does he put so much emphasis on the emigres, on their return and reconciliation? According to that logic, he could likewise call for a reconciliation of the chetniks and Serbs in Croatia."

Then he also said this: "Why didn't the president call for the creation of a bearable atmosphere for return? Our esteemed president apparently thinks that only Croats should return. I ask you—take Pavelic's law on the apartments of citizens of Serbian nationality, and look at the way in which Serbs were evicted in 1990. Our authorities say that a legal system exists. Practice does not indicate that, however; in practice Pavelic's methods exist. The only thing is that Pavelic had more respect for private property."

Destruction of Property

Comparing, in answer to a direct question, the present position of Serbs in Croatia with their position in Pavelic's NDH [Independent State of Croatia], Djukic said that "some things are better now, and some are worse," and added, "This business with private property is worse. The Ustashe threatened that they would take Serbs' property, and these people just take it, but more perfidiously. Or take the burning of Serbian property. Refugee Croats are living in railcars. I would rather have people who experienced that terrible fate live in furnished houses. Instead, they burned those Serbian houses, they enriched themselves, now they live in villas, and the refugees are in railcars and so forth. That is how this government works."

As an illustration of the present attitude toward Serbs in Croatia, Milan Djukic also cited his own case, as a vice president of the Assembly who is not entrusted with any kind of job.

He said regarding that, "When the president has to go urgently to the men's room, he looks around to see whether there is a Croat near him to replace him, and if there is no Croat, then he would rather suffer spasms than leave his place to Djukic. You see how much distrust there is of me. I have the impression that they are exploiting me, and that Serbs here are disposable. Well, that is our beloved country, in which a Serb, a Djukic, can have a high position, where a Serb can be vice president of the Assembly."

Conflict Over Autonomy in Istria Viewed

95BA0234S Belgrade BORBA in Serbo-Croatian 17 Apr 95 p 3

[Unattributed article: "Tempest in an Istrian Teacup"]

[FBIS Translated Text] *At the meeting, the conflict between a unitary, centralist state and demands that regional autonomy with broad local self-government be permitted was expressed.*

Zagreb—The first world congress of Istrians ended in Pula with most of the participants chanting "Istria, Istria," while members of the HDZ [Croatian Democratic Community] simultaneously hissed and shouted "Croatia, Croatia." The three-day meeting, in which over 600 participants from Croatia and abroad discussed Istria's position and aspirations, ended in that discordance of voices of support and accusations.

Even before the beginning of the congress, the regime's media heated up the atmosphere, condemning the fact that the meeting was officially called the First World Congress of Istrians, using a Chakavian expression, and not a "Croatian" one—Istrans. The authorities, for their part, even contributed to the creation of an unfavorable climate by refusing to issue visas to some "unsuitable" Istrians, primarily from Australia.

The culmination of the tension came after the adoption of a resolution calling upon Italy, Croatia, and Slovenia to accept the right to local self-government in accordance with the highest European decisions and to make it possible for Istrians to decide on Istria and its development now and in the future.

The resolution was welcomed with stormy applause from the majority of the participants in the congress, but at the same time, the members of the HDZ and several other nationalist parties, who constitute the opposition in Istria since the convincing victory in the last elections by the Istrian Democratic Federation, reacted angrily to its contents. The resolution did not suit their ideas of statehood, and so after the meeting they read a different document and held a short "parallel" congress.

Their resolution primarily emphasizes that "in a free, democratic, sovereign Croatia" Istria should be a "bridge of friendship" among the three countries. It also points out the "special" contribution that Croats in Istria should make to "fulfillment of the minority rights of Italians," and they also condemned the "Serbian aggressor."

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The representatives of the opposition parties, especially the HDZ, also criticized the fact that the resolution "did not reflect" what happened at the congress during three stormy days, and that the document was "imposed" by those who "are selling out Istria." They also claimed that the Croatian Constitution was "broad enough" for all those who live in Croatia and are not Croats.

Interests were so opposed that after the congress and during it, the "real Croats" emphasized that "stressing Istrian identity" had "jeopardized Croatian identity in Istria," no more or less. They also went into the things behind Tudjman's assessment that "the de-Croatianization of Istria is taking place."

The position of the congress' organizers that a work by Italian composer Tartini would be performed instead of the state anthem at the beginning of the meeting was also harshly condemned. The explanations that the state anthem should be played at state meetings and ceremonies, and not regional gatherings, were in vain. Also, it was only after the insistence of an HDZ representative that there was a minute of silence in respect for the dead at the end of the meeting. Even then, however, it was said that honor was being given to "the Istrian casualties in all wars," and to those who died "in the Homeland War."

Allegations of Forced Labor Camps Raised

95BA0258B Split SLOBODNA DALMACIJA in Serbo-Croatian 18 May 95 p 5

[Interview with Katica Ratkovic, president of the association Croatian Mother, by Zrinka Merin; place and date not given: "We Found Traces of Croatian Prisoners"]

[FBIS Translated Text] On Saturday, the Center for Protection of the Human Rights of Prisoners and Other Citizens of Croatia and Members of Their Families, together with the association Croatian Mother, will organize a protest in front of the building of the International Red Cross because of the incomprehensible behavior of officials of that international organization concerning their attitude toward protection of civilians in the military conflicts on the territory of Croatia. Croatian mothers were understandably embittered by events in Western Slavonia when it became evident how concerned the International Red Cross was about Serbian civilians.

The association Croatian Mother, headquartered in Vinkovci, was created on the initiative of a group of mothers seeking their sons who disappeared in Vukovar, when it became evident that nothing could be done by individual efforts.

Katica Ratkovic is the president of that association and a mother who for three-and-a-half years now has been looking for her son, Kresimir, who was last seen in the Vukovar Hospital.

Vance and Ovcara

[Merin] We have all been witnesses to the alert behavior of officials of the International Red Cross concerning Serbian civilians in Western Slavonia.

[Ratkovic] Nothing unusual in that. That is their job, but we cannot fail to express dissatisfaction in recalling events in Eastern Slavonia, especially in Vukovar. Where was the International Red Cross then, and what are they doing not only now, but over the last three-and-a-half years, to see about our imprisoned sons? You have seen that not a single Serbian civilian "lost a hair on his head," and still officials of the International Red Cross are staying by them without interruption.

[Merin] You have protested several times, presenting specific facts concerning behavior of the International Red Cross in Vukovar.

[Ratkovic] Yes, we have a great deal of evidence and even video tapes in which we have established that absolutely nothing was done in Vukovar to protect civilians and prisoners of war. In November 1991, during the days when Vukovar was occupied, officials of the International Red Cross were there, as were representatives of several other international organizations. I cannot understand why Cyrus Vance himself, who was in Vukovar at that time, listened only to what the Serbs said. Major Veselin Sljivancanin, the Serbian war criminal, led him through devastated Vukovar, telling him that nothing would happen to a single prisoner of war. Vance believed him, and at the same time, just a few hundred meters away, the chetniks led 300 people from the Vukovar Hospital to Ovcara.

The Deaf Akashi

[Merin] Have you made those facts known to the International Red Cross?

[Ratkovic] Certainly, and not just to them. We have written to all who are of any importance in the international world order, but we have not received a reply. Our last appeal was sent to Yasushi Akashi, in which we merely asked for recollection of the international conventions on protection of human rights and protection of prisoners of war. That appeal also went unanswered. We simply have run out of ways to turn the attention of those world "peacemakers" to the Serbian atrocities. In view of their indifference, we ourselves have even tried several times to reach the people responsible for the events in Vukovar. In Belgrade we entered the office of Maj. Veselin Sljivancanin, who fled by the other

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door, because he knows and is aware of his responsibility for the disappearance of our sons.

[Merin] A report was recently made public that mentioned for the first time that there are Croats alive in prison in Vojvodina and Serbia. What is that about?

[Ratkovic] This is a report of the government commission for prisoners and missing persons in which the Serbian side acknowledges for the first time what we have been saying for a long time. They supplied a list with 24 names of prisoners and another 46 names of Croats who have been killed and whose bodies are on their territory.

For a long time now we have had information that there were so-called private camps or prisons in Vojvodina and Serbia where Croats were forced to labor. That is, these are Croats convicted by some kind of Serbian military court, and because they did not dare to put them in prisons because of the international public, they turned them over to Serbs, for whom our people are doing the heaviest physical labor. This is mostly farm work on farms located away from cities, difficult for the eyes of the public to see.

The Mothers Know the Names

[Merin] How did the Croatian mothers receive that news?

[Ratkovic] Our feelings are mixed. We are happy that we have nevertheless been successful in finding at least someone alive, but at the same time we are sad, because the 24 people do not represent 1 percent of those in prison or missing. Nevertheless, in these three-and-a-half years we have most frequently felt hope, and it was that which gave us the urgently needed strength and persistence. It at least accentuated to some extent our persistence, because now we finally have reliable evidence that there are people alive and in prison. And we are also certain that there are more than 24 of them.

[Merin] Do you know the names of those imprisoned and killed?

[Ratkovic] Yes, but they still are not accessible to the public. But the families have been informed, and they all know which individuals are in question. And of course they know where the prisoners are located. Family messages have been sent to their addresses through the International Red Cross.

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Bosnian Refugee Convoy Departs for Sarajevo

AU0706141995 Skopje MIC in English 6 Jun 95

[FBIS Transcribed Text] A convoy of 15 buses, carrying 720 refugees from Bosnia-Herzegovnia, who have been staying in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] until now, left Skopje on Friday morning [2 June], at around 3.00 hours for Bosnia and Herzegovina, via Albania. This action, organized by the humanitarian organization "El Hilal," and sponsored by the Vienna based Third World Relief organization (TWRA), was being prepared five months.

The refugees arrived in Split on Saturday, and are still traveling through Bosnia, on their way to Sarajevo. Otherwise, this action is entirely voluntary and in cooperation with the Macedonian Government.

Skopje Denies Greek Charges of Drug Production

AU0706124895 Skopje MIC in English 6 Jun 95

[FBIS Transcribed Text] Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] is dismissing the Greek allegations that drugs are being manufactured in the country, involving two influential Macedonian firms, which is master-minded by the "Albanian mafia."

The manager of the National Bureau for Cooperation with Interpol, Ratko Joncevski from the Interior Ministry, stated as follows: "Until this moment, the Macedonian National Bureau for Cooperation with Interpol has not been informed by any agency or bureau that drugs are being manufactured in Macedonia, especially at specifically determined locations and by specific actors. Therefore, these allegations from official Greek circles are pure misinformation aimed at discrediting Macedonia in the international public. Furthermore, it is crazy to claim that the Albanian mafia is based in certain hotels in Skopje, and that they are the leaders in the transportation of the drugs. Isn't it absurd that we manufacture the drugs, then we give it to the Albanians to sell, and use the money to buy guns in order to fight against Macedonia and its independence."

Albanian Women Rally To Protest Discrimination

AU0706131495 Skopje MIC in English 6 Jun 95

[FBIS Transcribed Text] "University—yes, violence—no," "We want a university—not weapons," "You can't build democracy by putting Albanians in prison" are some of the slogans from the peace protest held Thursday [1 June] in Debar, under the slogan "For the university, against violence."

The meeting was organized by the association of Albanian women and Albanian teachers "Naim Fraseri," and more than 1,000 citizens, predominantly educational workers and students from the Debar high school turned up. The congregation was addressed by the president of the association, Hauseri Hadziredza, who stressed that the meeting was being held on the square of the Albanian national hero Skender Beg.

She said: "We are an autochthonous nation in these regions and history, and all Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] historians know this all too well, but sadly, the history of this young country is written in black letters."

Commentary Doubts Rapid Agreement With Greece

AU0806094595 Skopje PULS in Macedonian 2 Jun 95 pp 18-19

[Commentary by Eleonora Karanfilovska: "Desperate and Optimistic"]

[FBIS Translated Text] The Greek Foreign Minister Karolos Papoulias discovered America in the "Latin American" parts of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], in Krivolak and in Kumanovo, asserting to the Greek Parliament that Macedonia is producing drugs there! Moreover, he said that this was happening in Macedonian military camps and in the military polygon that is hidden from the public, with the approval and under the patronage of the authorities and Mr. Gligorov in the role of Noriega. We can expect him to come up with "confidential" information equivalent to what has been fabricated so many times before, like the one that the Americans are establishing bases in Macedonia, more precisely in Krivolak. Perhaps he will answer potential questions by equating two lies with two minuses, thus producing a plus: The Americans are picking up drugs in Krivolak for the needs of the Macedonian authorities and are thus involved in its production, after which the Macedonians deliver it to the "Albanian Mafia elite," which makes a profit and buys weapons intended for Albanians in Kosovo.

The logic of these absurdities lies in the fact that a white-haired man bends his head and uses a calm tone while lying about things that he himself does not believe, knowing that the lies may sound truthful to the ignorant.

Greek Foreign Minister Karolos Papoulias will be the first to sit at the table in direct negotiations with the Republic of Macedonia (if negotiations are held after all!). Those who represent the state, in the first place [Foreign] Minister Crvenkovski and President Gligorov, will have to consider the seriousness of such an unserious partner in the negotiations. According

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to all statements arriving from Greece these days, it can be taken as a fact that the Greek embargo against Macedonia will join the negotiating package as a kind of a trump card, although the Macedonian side earlier stated that there would not be any negotiations under the embargo. Even Foreign Minister Crvenkovski refused the offer of mediators Vance and Nemitz to sit and discuss the dispute. Why is there a portion of optimism that some progress is possible even under such blackmailing circumstances?

The head of the Macedonian state, talking, on his return, about his discussions with Vance and Nemitz in Rome, predicted the possibility of direct dialogue for solving the problems, and in so doing he did not mention the embargo, either intentionally or unintentionally, but stressed the impression of the mediators that next month will be the key month. This means it is possible to expect an exceptionally fast solution, with all disputes in one package, an agreement on the name, plus a parallel lifting of the embargo. If all the hitherto clearly expressed principles are taken into consideration, this could represent a breakthrough. However, President Gligorov did not forget to warn against excess optimism. The many previous expectations of this kind have taught us to be cautious.

So, what can be expected?

It is certain that the Macedonian side will not start the negotiations under such circumstances unless it has strong guarantees or clear-cut declarations that a solution will be reached. Covert diplomatic activity with direct contacts in which details might be agreed is not excluded, after which it would be possible to sit at the table and probably sign an agreement. There have not been any such consultations hitherto, and the coming key month will probably expire in the same way—in announcements. The Macedonian position concerning the disputed questions is clear and confirmed, as is also the Greek, and therefore the mediators here see a possibility for solving both sides' "demands." Another matter is how much the international demands will be met, mostly those of the Macedonian side. Some of them (the establishment of diplomatic relations with the United States, membership in the OSCE and in the Partnership for Peace) will be automatically met with the prospective agreement. Others, connected to Macedonia's relations with the European Union, which have recently been discussed with German Foreign Minister Klaus Kinkel in Skopje will, first of all, depend on the "goodwill" of Greece, and that is why it would be convenient to insist on them while the basic points are being agreed, in order to prevent Athens from further manipulation and blackmail because of its positions in the Union and its institutions.

As far as the "concessions" are concerned:

The Name

Nobody expects Macedonia to give up its name any more, not even Greece. The "Irish Formula" is possible—the Republic of Macedonia keeps its constitutional name in international communications and the "temporary period" of calling it "The Former Yugoslav Republic of Macedonia" for the use of the United Nations ends; in communications with Greece, Macedonia uses its constitutional name, Greece accepts such documents, but it calls the state what it pleases, and Skopje reciprocates by also accepting this.

The Flag

"We are ready to discuss this symbol, which represents an obstacle in our relations, and find a solution. Nevertheless, I want to point out one thing—nobody in the Balkans, not even in Europe, can claim to be the exclusive successor of the time and history of Alexander the Macedonian.... Despite all this, we understand the feelings of the Greek people about some problems, and we are ready to solve these problems with mutual respect. The other problem connected to the Constitution is also soluble. You have an article in your Constitution on this topic that we are ready to accept as a substitute for Article 49, which is contested by the Greek leadership. However, the problem of the name is something different. The name means everything to us, it means the identity of our nation, contested from the north, from the east, and so on." These were the recorded words of Macedonian Defense Minister Handziski at the news conference held in Washington on 17 May. We may once again be reprimanded for taking passages out of context, but there is not enough space in any newspaper for the transmission of the entire speeches of the mentioned personalities. Nevertheless, this is exactly the part of the speech that caused polemics among the Macedonian public, even though Minister Handziski actually did not say anything new. His "guilt" was because he spoke about "diplomatic" matters in a nondiplomatic way. The dilemma that followed was whether the role of Minister Handziski was to test public opinion about a possible agreement on the flag, or was nothing but an unintentional impulsive comment. The first assumption is more probable. The impression of this journalist is that it was actually a faux pas, despite some suspicions caused by the fact that the government did not dissociate itself from it; according to the government spokesman, the government did not discuss Minister Handziski's report which would normally have happened had his views been opposed to those of the government. Finally, if this was a journalist's mistake, as the minister of defense later stated, why did he not publish the records

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as he said he would, or was it another "impulsive comment" on being caught out by the situation?

The change of the flag is as undisputable as the change of the name.

The Constitution

A statement from President Gligorov on the disputed Article 49 might suffice, but a possible change of the Constitution as Minister Handziski reannounced, or its substitution with Greece's Article 108, is unreal.

Minorities

To this article of the Constitution, devised by the draft agreement following a clause from the German-Polish agreement on confidence measures, another question is directly linked that will be hard for Greece to swallow, as it refuses to accept that there are national minorities on its territory, accepting only minorities on a religious basis, and thus automatically excluding the Macedonian minority.

Diplomatic Relations

This is something on which the Macedonian authority insists, considering the fact that the establishment of full diplomatic relations between the two countries will avoid possible future conditioning, and at the same time it will contribute to a positive solution of the communications problems in all areas.

There is a range of other trivial but important questions in the mutual relations that are not so easily solved, but yet, after an agreement on the name is reached, there will be an opportunity for their settlement.

Great optimism is required to believe that all these questions will soon be overcome and solved in only one month, considering that they have not been solved for so many years. However, it is positive to have good will, even from those who only "mediate." There has been enough of discovering America here. discovered the Balkans and itself within its frameworks.

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Walesa Urges Unity To Stop Return of Communism

LD0806115095 Warsaw Polskie Radio First Program Network in Polish 1005 GMT 8 Jun 95

[FBIS Translated Text] President Lech Walesa has appealed for the establishment of a wide bloc of people wanting reforms, who, while cooperating above party interests, would lead Poland toward development. Speaking at the national congress of Solidarity delegates in Gdansk, the president said that Solidarity is able to force changes favorable for the country.

[Begin Walesa recording] We have to stop the offensive of the forces of old order and to take political initiative. I see in Solidarity the force able to halt the unfavorable development of events and to implement its own vision of Poland. For this, however, cooperation and collaboration, accord and wise compromise, are needed from all people wanting reforms. We have to rise above differences and particular interests. We have to refer to what unites and not divides. We have a common adversary and the same goal. [end recording]

The president said that communism and the old style of governing was coming back in Poland. In his view, those in power either do not want or cannot resolve economic reforms in accordance with public expectations.

[Begin Walesa recording] Our Solidarity revolution has stopped half way. Some say that it hangs in a vacuum. We thought that the free elections and the democratic institutions would be enough. We underestimated the scale of reforms and also the strength and the deceit of our adversary. That is why the forces of the old order continue their offensive. We see an intensifying return to monopolization and centralization of power and to old style of governing. [end recording]

Olesky: Walesa Plans To Overthrow Coalition

LD0806121095 Warsaw PAP in Polish 1053 GMT 8 Jun 95

[FBIS Translated Text] Warsaw, 8 Jun (PAP)—Asked to comment on President Lech Walesa's statement made today at the Solidarity congress that a coalition should be set up in Poland, including Solidarity, which would lead the process of reforms, Prime Minister Jozef Oleksy said that for quite a long time the president has made it clear that it is his goal to overthrow the present coalition and to remove the present parliament. "I hope that the president will not resort to undemocratic methods in his attempts to achieve this goal," he added.

Asked whether the government will adopt an official position on Lech Walesa's statement, the prime minister replied that the decision will be made after the full text of the speech is known.

Olesky Addresses Sejm on Controlling Inflation

LD0806101895 Warsaw Polskie Radio First Program Network in Polish 0738 GMT 8 Jun 95

[FBIS Translated Excerpt] In a moment or so, Prime Minister Jozef Oleksy will take the floor at the Sejm. He will present a report on implementation of the government's program:

[Oleksy] Mr. Speaker, may it please the house. Three months have passed since the house appointed me chairman of the Council of Ministers. [passage omitted]

The main challenge to the implementation of our plans is the urgent need to take temporary and long-term anti-inflation action. The pace of inflation is too high. The actions taken last February and the later decisions aimed at curbing unjustified price rises and introducing a temporary ban on increasing energy prices were not sufficient. We must not allow a spiral of inflation to unwind because it will strike the most vital interests of manufacturers and consumers. It is difficult not to note that the public have no objective information on these issues.

First, every year, beginning with 1990, inflation has been higher than planned but at the same time lower than in the previous year. Since this coalition came to power, inflation is also going down and it will be lower in 1995 than in the previous year. Agitation around this issue is unjustified and exaggerated. It is also harmful as it fans expectations leading to inflation.

Second, the reasons for higher than planned inflation are not located at one place only, that is, in the government. Part of the blame falls on the Polish National Bank, which is responsible for monetary policy. There are also objective reasons. Nothing comes free in the economy. Favorable and necessary growth in exports and foreign currency reserves, and investment growth have reached such a high level that it created inflationary tensions. This is a well-known phenomenon and is often recorded in other countries. Such inflation can be easily curbed by withdrawing preferences for export and investment. But the price to pay will be the slowing down of production growth and a new increase in unemployment. We have already paid this price once before, in 1990-91.

I want to declare clearly and resolutely that the fight against inflation will be carried out with determination, but not at the price of a fall in production, higher unemployment, and unfavorable decisions concerning Polish agriculture. These are the provisions of the coalition's economic program. [applause] [passage omitted]

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Ruling Coalition Discusses Government Program

LD0706193895 Warsaw PAP in Polish 1640 GMT 7 Jun 95

[FBIS Translated Text] Warsaw, 7 Jun—A meeting of the ruling coalition began tonight at the Sejm building. Prime Minister Jozef Oleksy said before the meeting that it has been convened at his request, as "there are issues which require frequent talks to work out a common view." PSL [Polish Peasant Party] Chairman Waldemar Pawlak let it be known that the implementation of the government program and its assessment after three months would be discussed.

The talks between coalition members will focus, among other things, on the government anti-inflation program, a reform of the economic center, and problems connected with privatization, the prime minister told correspondents.

Asked whether the PSL has some doubts on these issues, the prime minister replied: "There will be doubts, because when dealing with difficult matters there are always doubts and differences. The fact is that a common view is agreed at such meetings."

Asked about differences between Deputy Prime Minister Grzegorz Kolodko and Labor Minister Leszek Miller with regard to economic issues, Oleksy added that "if the differences of opinion between ministers was the only problem, I would be happy and would not worry about the fate of this country."

Criticizes Finance Minister

WS0706131395 Warsaw GAZETA WYBORCZA in Polish 7 Jun 95 p 2

[Article by Dominika Wielowieyska and Waldemar Kumor: "Discussion of 'Controversial Issues' Today; Coalition Reprimands Its Ministers"]

[FBIS Translated Text] The coalition of the Polish Peasant Party [PSL] and Democratic Left Alliance [SLD] is to meet with representatives of the government to discuss "the most controversial issues." We have unofficially learned that some SLD leaders are considering having [Finance and Deputy Prime] Minister Kolodko removed from the cabinet.

The "controversial issues" to be addressed include: the anti-inflation package, the privatization and commercialization of companies, and reforms of the central economic administration and social security system.

Against the will of Privatization Minister Wieslaw Kaczmarek, PSL decided yesterday that it will vote for removing the draft law on privatization and commercialization from the Sejm agenda. The Freedom Union decided to vote against the draft if it is given an "urgent" status. SLD may thus encounter difficulties in having the draft passed by the Sejm.

Deputy Prime Minister Grzegorz Kolodko is the source of the greatest controversies. Some of the deputies are angry that Kolodko does not consult with them on the most important decisions (such as the anti-inflation package) and provokes conflicts with the National Bank of Poland. He is also unable to reach an agreement with Labor Minister Leszek Miller of SLD on the issue of calculating pensions.

The reform of the central economic administration, which could involve dissolving the Finance Ministry, might serve as a pretext for removing Minister Kolodko from the government.

Some of the PSL deputies, on the other hand, attacked their own Minister of Agriculture Roman Jagielinski. Charges were brought against him at a parliamentary club meeting that he has "jeopardized the interests of food producers" by signing Kolodko's package of anti-inflation measures.

"What will PSL's presidential candidate have to offer to farmers? Is it politically sound to back out of the compensatory fees right now? It is causing our ratings to fall!" shouted Andrzej Smietanko, minister of agriculture in the Pawlak cabinet.

One day earlier, during a trip to the Zamosc region, Waldemar Pawlak remarked on the current government: "Food will be cheap when we focus on developing domestic production, and not on imports."

Asked by journalists for a comment, Deputy Prime Minister Jagielinski explained that his colleague Pawlak "is not knowledgeable on the issue," and imports are controlled by his ministry, therefore the anti-inflation package will not hurt the farming sector.

During the parliamentary club meeting, Jagielinski argued with Smietanko: "Andrzej, I did not want you to leave the ministry. But I drive safely. Your problem is that you crashed into a fence."

Central Bank Predicts 19-Percent Inflation Rate

WS0806101095 Warsaw ZYCIE WARSZAWY in Polish 6 Jun 95 p 8

[Report by Maciej Fischer: "NBP Claims the Fall Will Be Decisive for Inflation; Only the Package Guarantees 20 Percent"]

[FBIS Translated Text] Hanna Gronkiewicz-Waltz, president of the National Bank of Poland [NBP], deems the 17 percent inflation rate projected by Deputy Prime

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Minister Grzegorz Kolodko unfeasible. She believes it will more likely be in the range of 19 percent. "It would be great if it fell to a level of 18 percent," said the president after a meeting of the NBP President's Economic Council devoted to "The Competitiveness of the Polish Economy in View of the Change of the Real, Effective Rate of the Zloty."

"As always, the fall will be decisive for the annual inflation rate," said the president. She claims the growth of prices during this time of the year is decisive for the annual rate. If the government adopted Deputy Prime Minister Kolodko's anti-inflation package, it could be possible to attain an inflation rate of 20 percent.

The NBP president positively assessed the hitherto process of floating the exchange rate of the zloty by simultaneously retaining a 1.2 percent rate of creeping devaluation. Over three weeks the zloty appreciated by approximately 5 percent, as projected. The aim of decelerating the pace of currency reserves growth has been attained. The Finance Ministry claims that the fact they grew faster than anticipated was one of the major reasons why the forecast inflation rate was exceeded. The central bank president says that once the zloty was floated, currency reserves ceased to be a source of inflation.

The market reacted to the flotation of the zloty calmly and with caution, and central bank interventions were few. At the moment, the exchange rate of the zloty is stable. Flotation will not hurt exports, which remain competitive. They have grown by 40 percent from the beginning of this year and continue to be one of the driving forces of the Polish economy. The choice of the subject for the session of a new council headed by Professor Waclaw Wilczynski—the competitiveness of the economy in view of the change of the exchange rate of the zloty—was not incidental.

The major question is whether the central bank should be involved with the effectiveness of foreign trade at all. The NBP is, however, trying to develop optimal methods of affecting large-scale economic mechanisms. The president claims there is no such need yet, but in the future both importers and exporters must learn to avoid risks pertaining to exchange rates on their own, and not rely on the central bank to intervene.

Participants found the issue "controversial." They did agree, however, that exporters have been exposed to a risk of making losses, but in the long term the whole operation will be of benefit for the economy.

Professor Wilczynski stressed the importance of defending the central bank's independence. Pressure is being every so often exerted on NBP to—for example—influence export results by increasing the pace of the devaluation of the zloty. Wilczynski claims this is a method of subsidizing exports by the state.

Further on Inflation Rate

WS0706133495 Warsaw GAZETA WYBORCZA in Polish 6 Jun 95 p 1

[Report by Waldemar Kumor: "Inflationary Paralysis"]

[FBIS Translated Text] The inflation rate for May will reach a level of at least 2.1 percent. This means that after the first five months of 1995 the rate of inflation has already neared 13 percent—three-fourths of the total projected for 1995. Exactly one year ago it was only 9.9 percent.

By December 1994, inflation stood at 29.5 percent. What will this year bring then? One thing is certain. The government projections of 17 percent, later altered to 20 percent, are becoming increasingly unrealistic in light of the newest reports.

Most of All Food

The government—for the third time this year—is to discuss Deputy Prime Minister Kolodko's anti-inflation package today. The major problem at hand is to stop the growth of food prices: The rate is twice as high as that for other products. Kolodko previously ignored warnings from all sides that an inflation rate of 17 percent was unrealistic.

Only now is the Finance Ministry demanding that restrictions on food imports be lifted: The lack of foreign competition causes prices to soar. Hence Kolodko's package provides for a temporary suspension of compensatory fees on flour, prolonging and increasing the quotas on duty-free wheat and sugar, and lowering prices on cheese.

For the time being, the Polish Peasant Party strongly opposes these postulates. The majority of economists claim that although the provisions are prudent, action was taken too late.

Monopolies Are Expensive

In cooperation with the Antimonopoly Office, Kolodko is trying to work out methods for more effective control of prices imposed by monopolies, such as Polish Telecommunications or the Polish State Railroads. The relevant ministers, however, strongly resist.

Among the major reasons for this year's high inflation rate experts list—and Kolodko fails to mention in his packages—the effects of decelerating privatization and yielding to pressure exerted by the unceasingly

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dominant state sector: Debts owed to the State Security Agency and the budget, the low level of efficiency, and growing wages all contribute to the state budget deficit and inflation.

The government is attempting to curb inflation by rescheduling or backing out of increasing the prices the state is authorized to administer, despite budget provisions stating otherwise. It has, for example, backed out of the second increase of prices on central heating and hot water. It has not implemented the first projected increase of gas prices, and the second one will depend on budget revenues. Price hikes on spirits have been put off as well.

According to former head of the Central Planning Administration Jerzy Eysymontt, these are all short-term measures.

Deputy Prime Minister Kolodko claims the National Bank of Poland is also responsible for the high rate of inflation, in that it has no control over the supply of money on the market and refused to lower interest rates on loans for too long.

"The government is simply doing nothing to fight inflation," says Waldemar Kuczynski, chief economic aide in Mazowiecki's cabinet and Freedom Union expert.

He claims Deputy Prime Minister Kolodko is supported neither by the previous nor by the current prime minister's government. "All he has are small packages, which are in reality rubbish because they are not implemented," says Kuczynski.

Inflation Rates (in percent)

	1994	1995
Jan	1.8	4.1
Feb	2.9	6.3
Mar	5.0	8.0
Apr	8.9	10.5
May	9.9	12.8

Kolodko's Miscalculations Blamed

WS0806111795 Warsaw GAZETA WYBORCZA in Polish 7 Jun 95 p 14

[Article by Konrad Sadurski: "NBP Replies to Kolodko's Charges; The Deputy Prime Minister Is Inconsistent"]

[FBIS Translated Text] "I sometimes get the impression I am dreaming. During sessions of the Council of Ministers, Deputy Prime Minister Kolodko is calm and friendly. When he leaves the room, he becomes aggressive. I would sacrifice a part of my pride to work out some decent method of communicating," said deputy president of the National Bank of Poland [NBP] yesterday.

NBP countered charges made by Deputy Prime Minister Kolodko that it is the major culprit responsible for soaring prices.

"The deputy prime minister miscalculated the inflation rate projected for this year. Next year's projections seem equally unrealistic," said NBP Deputy President Witold Kozinski at a news conference yesterday. "We predicted from the very beginning that inflation would be 22-23 percent."

He claims Minister Kolodko erred in his projections of the inflation rate, hence it seems huge at the moment. Asked about the reasons for the rapid growth of prices, Kozinski explained that "the Council of Minister's decision on duty-free food quotas answers that question."

NBP projects that prices will grow by 19 percent next year. It thus considers Kolodko's forecast implausible, although the initial figure of 15.5 percent has already been corrected to 17 percent.

Deputy President Kozinski admitted that an excessive money supply "softens the environment, providing better ground for inflation stimuli." "If, however, a monetary surplus really did cause prices to grow, the costs of production would rise accordingly," he argued. Meanwhile, food prices grew by as much as 3.1 percent in April, while the costs of production—by a mere 1.3 percent.

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"NBP is draining the surplus money from the market. We are talking about approximately 100 trillion old zlotys," reported the deputy president. By floating the zloty, the NBP strengthened it. The operation decelerated the pace at which currency reserves were growing—one of the major factors enhancing the growth of prices.

Deputy Prime Minister was against floating the zloty, although he currently boasts having had supported it from the start. "We were able to float the zloty only thanks to Prime Minister Oleksy, who displayed more knowledge of the market," said Kozinski.

NBP needs the government's support in fighting the influx of foreign currency. It is suggesting that companies be allowed to keep their foreign currency abroad and lift customs fees on investment means. The government, however, does not agree to amending the customs law (allowing companies to hold bank accounts abroad) or lifting tax on imports. It was to be abolished in 1996, but will only be decreased from 5 to 3 percent instead.

The deputy president also addressed Kolodko's argument that decelerating the pace of the devaluation of the zloty would allow to restrict the influx of foreign currency. NBP deems the idea inadmissible, as it would undermine the interests of exporters. "We are expected to lower interest rates further as the pace of devaluation slows down. This is what the finance minister really desires," said Kozinski. He made the restriction that this will be possible only when inflation falls. "The most recent decrease of interest rates in May was a compensation to exporters for the strengthening of the zloty due to flotation" said Kozinski.

Kwasniewski Continues To Lead in Polls

WS0706140295 Warsaw ZYCIE WARSZAWY in Polish 6 Jun 95 pp 1, 3

[Report by "NIKA": "Kwasniewski Continues To Outdistance Opposing Candidates; Walesa Climbs More Slowly Than Kwasniewski"]

[FBIS Translated Text]

Public Opinion Research Center [CBOS]: Whom Would We Support in the Presidential Elections?

	Percent
Aleksander Kwasniewski	26
Lech Walesa	12
Tadeusz Zielinski	12
Jacek Kuron	11
Adam Strzembosz	7
Hanna Gronkiewicz-Waltz	4
Waldemar Pawlak	4
Jozef Zych	4

Among candidates not included on the chart, Jozef Zych [as published] and Zbigniew Religa were supported by 3 percent of those polled, and Jan Olszewski—by 2 percent. Janusz Korwin-Mikke would net votes from 1 percent of those who claimed they would definitely vote. The remaining candidates together received the combined support of 5 percent of all those polled. As many as 70 percent of respondents to the CBOS poll said they would vote. Practice shows, however, that real participation is slightly lower than that declared in the preelection polls.

In the beginning of May, 20 percent of those polled declared their readiness to vote for Aleksander Kwasniewski. Currently, that number has risen to 26 percent. One of the reasons may be that he has been officially listed as a presidential candidate and Jozef Oleksy's name was removed from the CBOS list. Kwasniewski is most popular among supporters of the left wing (65 percent), private entrepreneurs (43 percent), housewives (37 percent), unskilled workers (33 percent), and lower-ranking white-collar workers (32 percent).

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Each of the remaining hopefuls has at least half as many supporters as the postcommunist leader. Lech Walesa and Tadeusz Zielinski tied for second place. The former owes his 12 percent to an increase (up from 8 percent), and the latter to a decline (down from 15 percent) in popularity.

The constituency of the current inhabitant of the Presidential Palace comprises senior citizens (22 percent), supporters of the right (22 percent), and devout churchgoers (30 percent). Tadeusz Zielinski, on the other hand, is supported predominantly by management cadres and the intelligentsia (37 percent), public sector employees (23 percent), and the cooperative sector (27 percent).

Support for Jacek Kuron has fallen from 15 to 11 percent. He is most popular among the poorest citizens (17 percent), unskilled workers (17 percent), and the unemployed (23 percent).

Adam Strzembosz has retained his position. Hanna Gronkiewicz-Waltz appeared on the list for the first time. She is most widely supported by inhabitants of large cities (10 percent) who tend to be women (7 percent) rather than men (2 percent).

Two likely candidates of the Polish Peasant Party—Jozef Zych and Waldemar Pawlak—have the same number of supporters, predominantly farmers.

The poll was conducted by CBOS on 26-29 May on a random group of 1,198 adult Poles.

Kwasniewski's Popularity Viewed

WS0706143695 Warsaw ZYCIE WARSZAWY in Polish 6 Jun 95 p 1

[Commentary by Piotr Zaremba: "A Lesson in Professionalism"]

[FBIS Translated Text] The most recent surge of Aleksander Kwasniewski's popularity in the presidential polls (from 20 to 26 percent) seems natural. As the official candidate of the Democratic Left Alliance he attracted those who had wanted to vote for Jozef Oleksy. This should not, however, overshadow a more general truth. Kwasniewski has not yet made any major blunder. He has launched the most professional campaign, albeit devoid of any great ideas. His focus on "the future" is a very sly appeal to the voters. Let us try and decipher him.

Our reporter quoted a very significant statement made by Kwasniewski. He said he wanted to incite young people to protest against the ethos of the "Solidarity and Workers Defense Committee generation." In reality, it is not only the young generation he is addressing. The conclusion that "the future, not the past, is what matters" is an accolade of opportunism. "It is not important where we came from, but how we achieved what we have," the postcommunists tell voters. "What does count is that we are the best today."

"Being the best" consists of borrowing social engineering tricks straight from Western democracies. Paradoxically enough, they are currently applied most skillfully by those who cursed them in party speeches several years ago.

Moreover, not only the newly launched campaigns lack professionalism. There is no trace of it in basic political decisions. The post-"Solidarity" center left is torn between Kuron and Zielinski. We have several more or less serious contenders for the sole candidate of the right. Is it surprising that the young generation trusts Kwasniewski?

Solidarity Proposes Katowice Recovery Program

LD0706210795 Warsaw TV Polonia Network in Polish 1900 GMT 7 Jun 95

[FBIS Translated Text] Solidarity has proposed that during the implementation of a recovery program for the Katowice region, the entire area be treated as if it were a single enterprise. In the view of the trade unionists, it is necessary to specify the overall income, assets, and average remuneration in the area. They feel that the problems of Silesia do not just come down to unprofitable coalmines.

[Begin recording] [Marek Kempski, chairman of the Silesia-Dabrowa Region of Solidarity] The view which has hitherto existed is an erroneous one, that of looking at the Katowice Voivodship solely through the prism of a single industrial sector. This is a system of vessels that are linked, and it ought to be seen as a whole. Redundancies, for instance, reductions of employment in mining, cause identical reductions in other sectors. [end recording]

Solidarity feels that since the collapse of one industrial branch causes a domino effect, and that the consequences touch the region as a whole, the entire area ought to be trated as if it were a single firm. It has also proposed the appointment of a joint regional-government commission, which would have as its task the creation of a rescue program for this region, since the present subcommission of the Council of Ministers Economic Committee has not fulfilled its task. The trade unionists recall that one Pole in 10 works in Silesia, the number of unemployed is as great as the numerical strength of the army, that crime has risen by 20 percent, and that 95 percent of those polled do not wish to live there.

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Document Examines Polish-OECD Relationship

95EP0120A Warsaw PRZEGLAD RZADOWY in Polish No 3-4, Mar-Apr 95 pp 94-97

[Report by the Secretariat for Coordination of Cooperation Between the Polish Republic and the OECD]

[FBIS Translated Excerpt] The Organization for Economic Cooperation and Development (OECD) published in January the "OECD Economic Review," that is, a report on the course of economic processes in Poland during 1992-94. Concurrently with its publication, an agreement was signed on privileges and immunities, by virtue of which Poland recognizes the diplomatic status of all OECD employees. Deputy Prime Minister Grzegorz Kolodko believes that Poland will join that organization in the second quarter of 1996. (Footnote) (Some joint Polish-OECD projects, e.g., the ecological survey conducted in March of 1994 were described in PRZEGLAD RZADOWY, No. 7-8, July-August 1994.)

The Polish Road to the OECD

The turning point in the history of actual cooperation between Poland and the OECD is to be viewed as 8 June 1994. On that date, the OECD Ministerial Council (the supreme body, which generally meets once a year) considered Poland's application for membership, presented to the OECD on 1 February 1994. The Council placed the OECD secretary general under the obligation of initiating negotiations with Poland on terms of future membership, which would take place "as soon as Poland is ready to accept the obligations of members ensuing from the regulations and standards of the OECD...." The Polish authorities were notified of the Ministerial Council's decision by Mr. Jean-Claude Paye, the OECD secretary general, who soon afterward (on 19-21 June 1994) paid an official visit to Warsaw.

The decision to make a formal application for membership in the OECD was made at the 10 January 1994 session of the Polish Council of Ministers. Underlying that decision was the belief that, at present, Poland can cope with the three principal criteria posed to countries applying for membership in that organization. This concerns: a pluralist and democratic political system, adherence to human rights and civil liberties; and a market economy. Owing to the political, social, and economic reforms implemented in the last five years, our country has not only begun to resemble the OECD member countries politically but, at the same time, also made major progress on the road to creating a market economy that is wide-open to international cooperation.

In applying for full membership in the OECD, we also are justified by the results so far of the cooperation between Poland and that organization. In this context it is worth noting that the first working contacts between our country and the OECD date from the autumn of 1987. After the initiation, two years later, of pioneering political reforms in Poland, that organization provided us with broad support. In June 1991 our cooperation with the OECD became institutionalized in the form of a long-term agreement, "Partners in Transition" ("Memorandum of Understanding Concerning the Programme: Partners in Transition"[as published, in English]). Taking advantage of that program, and also the General Program of Activities of the Center for Cooperation with Countries in Transition (CCET OECD), along with the Program for Supporting Reforms of Public Administration in Countries of Central and East Europe (SIGMA), in the years 1991-94 we markedly intensified our contacts with the OECD.

In March 1994, the deputy chairman of the Council of Ministers and chairman of the Economic Committee of the Council of Ministers appointed under the Committee an Interministerial Task Force of Experts on Matters Concerning Poland's Membership in the OECD. The task force consists of seven issues sections and has the purpose of analyzing the "rules of the game" (more than 160 acts in the form of council decisions, recommendations, declarations, and other instruments) binding on OECD territory, and drafting legislative proposals for introduction in the Polish legal system as well as proposing in specific cases the lodging of reservations as to the deadlines for the effective introduction of discrete regulations, in accordance with the binding OECD procedure. The task force is responsible for the substantive aspects of negotiations for the terms of Poland's membership in the OECD.

The starting point for the negotiations was the task force's drafting of a set of documents termed "Memorandum," which analyzed the status of Polish legislation vis a vis OECD regulations governing various domains of economic life. That document was submitted to the OECD on 14 October 1994, thus making possible commencement of official negotiations as earlier as a month later (16-18 November 1994) in Warsaw. The first stage of the negotiations dealt with the major part of OECD regulations, namely, a package of financial issues. It is assumed that the negotiations for OECD membership will end in the early spring of 1995, and subsequently Poland will receive the so-called invitation to membership, whose implementation will then only depend on ratification of the 1960 Convention on creating the organization.

Anticipating Poland's future membership in the OECD, on the organization's suggestion, official negotiations were commenced early in 1994 for concluding an agreement between the Polish Republic and the OECD

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on the privileges and immunities of the organization. [passage omitted]

Current Status of Polish-OECD Cooperation

The first unofficial contacts between the Polish authorities and the OECD secretariat took place as early as the end of 1987. Owing to the political changes in 1989, their intensification and institutionalization became possible. Initially this mainly consisted of obtaining expert (technical) assistance in reforming the nation's economy. But the long-range goal was to attain full membership for Poland in that organization.

Pursuant to the Polish-OECD Agreement of 1991 ("Memorandum of Understanding"), the Program for the OECD's Consultative Assistance to Poland, termed "Partners in Transition Programme" [as published, in English] (PIT), which consisted of the following six parts, was initiated:

1) A general survey of the Polish economy (starting-point diagnosis), performed by the OECD.

2) Technical-advisory assistance in discrete domains of the economy (including subsector surveys).

3) Advice on specific issues of economic policy.

4) Gradual Polish participation in the work of discrete standing committees and working groups.

5) Activation of training programs for Polish experts at OECD directorates.

6) Access to OECD documents and publications as well as to the OLIS (On-Line Information Service) database.

Successive annual PIT programs are formulated and approved by annually convened joint Conferences of the OECD-Poland Liaison Committee in Paris.

The results of the implementation of the PIT program demonstrate clearly that our country is gradually coming closer to a situation typical of the member countries. In view of the major controversies that occur among member countries regarding coordination of directions and methods of restructuring such "sensitive" domains of the economy as agriculture and industry, gaining observer status in the Agriculture Committee and the Steel Industry Committee deserves to be considered a success for Poland.

Under successive PIT programs, the OECD implemented in Poland several significant projects. These projects provided us an outside diagnosis of the state of both the entire Polish economy (e.g., OECD reports of May 1992 and September 1994) and certain of its subsectors, assessments of the government's intentions concerning individual fields of economic policy (e.g., a preliminary report on the Polish energy industry, reports on regional and industrial policies, a report on the government's policy on the agricultural and food sector, and a report on the labor market in Poland), and served to provide a better understanding of the specific features of the transformations in Poland, especially to international business circles and financial institutions. The OECD, for more than 30 years, owing to the high level of professionalism and impartiality of its diagnoses, evaluations, and economic forecasts, enjoys considerable worldwide authority and to a large extent influences the opinions of world economic centers.

The programs for Polish-OECD cooperation have been gradually extended to new domains and central institutions, ultimately including nearly all ministries and other government agencies (altogether 22 units).

At present, Poland participates in the work of more than 22 OECD committees, four advisory groups, and more than 50 working groups.

The extent of Poland's involvement with the OECD may be demonstrated by the fact that in 1993 Polish representatives took part in 124 sessions (of committees and working groups) and seminars organized under OECD auspices in Poland, in Central and East European countries, in OECD countries, and at OECD headquarters in Paris (altogether 256 Polish representatives took part).

Poland's most important objectives in cooperating with the OECD are:

1) Participation in OECD work, i.e., in committees, working and study groups, workshops, conferences, etc., with the status of observer or full-fledged participant.

2) Preparation of OECD-sponsored reports, surveys, projects, studies, etc., concerning the Polish economy (as highly important means of forming objective opinion on the Polish economy and the changes it undergoes).

3) Participation of our experts in OECD work and projects in third countries (e.g., in the CIS—we already have declared our readiness and a list of fields of interest).

4) Possibility of utilizing ad hoc expert assistance of the OECD in preparing programs that are important to Poland in reforming the economy (e.g., evaluation of draft legislation, economic programs, etc.).

5) Conclusion of negotiation and becoming a member of the organization.

The committee coordinating cooperation between the Polish Republic and the OECD is active within the Office of the Council of Ministers, at the level of the deputy minister for economic affairs. Moreover,

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for the last three years, the so-called Polish Liaison Group (PGL), consisting of ministerial coordinators of cooperation with the OECD (designated by individual ministers and directors of central offices participating in implementing PIT programs), has been active.

Political Premises for Poland's Joining the Organization for Economic Cooperation and Development

Thanks to the highly positive appraisal of the results of the cooperation so far between our country and the OECD, and the positive appraisal of the progress achieved by Poland in implementing reforms intended to build a market economy and a democratic state, as expressed, e.g., during the Third Conference of the OECD-Poland Liaison Committee in Paris on 22 November 1994, there has now arisen a historic opportunity for Poland to gain membership in the OECD.

Membership in the OECD means acceptance of the "rules of the game" mandatory in the Western world (including law codes liberalizing capital flow and computer transfers, the "Declaration Concerning International Investments and Multinational Companies," and other instruments, directives, recommendations, etc.). Poland's integration with the EU would also be impossible without adapting to these rules. Thus, "vaulting that pole" in the process of gaining OECD membership can only hasten and at the same time facilitate our integration.

This means that actions intended to change Poland's current status from partner to full-fledged member of that intergovernmental organization, which associates 25 of the most highly developed countries in the world, have been accepted by the Polish Government as a strategic objective of its foreign economic policy. Aspiration toward full membership in the OECD is a major component element of the strategy for permanently including our country in the political, military, and economic structures of the Western world. The OECD is the most influential and opinionmaking—though operating quite discreetly—organization dealing with the whole of the economic and social problems of the world economy.

Nearly 60 of the world's most dynamic developing and postsocialist countries at present are expressing interest in establishing official cooperation with the OECD or applying for membership.

Owing to decisions made by the OECD, in mid-1994 Mexico became a full-fledged member of the organization. This is due to the unequivocal support given to that country by the United States (which is linked to Mexico by the NAFTA agreement), and also to the intensive efforts of the Mexican authorities (headed by the president).

In the near future, i.e., not later than in 1996, South Korea is to become another full-fledged member. The OECD, itself, took the initiative in inviting that country to join. Japan is acting as Korea's sponsor on the OECD forum, since it wants to strengthen the group of member countries from the Pacific region, as part of the traditional rivalry for zones of influence in the United States-Japan-West Europe triangle.

The four member countries of the Visegrad Group, including Poland, are candidates with which negotiations are currently underway. Admission will take place individually for each country, allowing for the meeting of formal requirements. Thus, no simultaneous admission of our countries (Visegrad Group) can be expected, unlike in the case of some other organizations or groupings.

In the light of the above, it can be stated that Poland's participation in both the OECD and the recently established—in lieu of GATT—World Trade Organization is a sine qua non for the admission of our country to the European Union. At the same time, it is a major factor which will markedly affect the prospects for the integration of our country with other structures of the Western world.

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New Law on Public Tenders Discussed

95P20802A Ljubljana SLOVENIAN BUSINESS REPORT in English Jan/Feb 95 p 58

[Article by Alenka Mordej: "Public Commissioning—Foreign Bidders Eligible"]

[FBIS Transcribed Text] Users of budget funds are obliged to give public commissioning orders for the purchase of equipment, the execution of capital and maintenance works, research projects and services which are entirely or partly financed from the budget of the Republic of Slovenia, to the most favourable bidder on the basis of a public tender. The public tender procedure is supervised by an expert committee appointed by the client. The procedure begins when the public tender is announced in the Official Gazette of the Republic of Slovenia. This is followed by the official opening of bids which were sent to the client's address and their review and assessment by the expert committee. The committee completes its task by producing a report on the analysis of the bids which it then sends to the client who completes the procedure by issuing an official order on the selection of the most favourable bid.

Bids for public tenders which are issued by users of the budget funds of the Republic of Slovenia may also be made by foreign bidders, that is, foreign companies whose official headquarters are located outside the Republic of Slovenia. This possibility is provided by the Decree on Public Tender Procedures for Public Commissioning (Official Gazette of RS, nos. 28/93 and 19/94).

The general provision regarding the equality of all bidders participating in the public tender is, with regard to foreign bidders, somewhat limited. For the purpose of domestic market protection the terms applying to the granting of public commissioning orders to a foreign bidder are more strict because in selecting a bidder the government authorities are obliged to give priority to domestic companies using domestic products.

Domestic products are those products which are mainly manufactured in Slovenia and thereby acquire their value added in Slovenia. For the product to be considered a domestic product its value added share should be greater than 50 percent, which the client shall determine during the procedure to review the submitted bids on the basis of the structure of required works elaborated by the bidder.

In practice this means that in order for a foreign bidder to be granted a public commissioning order the price offered by the foreign bidder would have to be lower, more favourable than the most favourable price offered by a domestic bidder, where the foreign bidder would nevertheless have to fulfil all the other required criteria stipulated in the public tender or the tender documentation.

However, even if a foreign bidder meets the price requirements, the public commissioning order is not automatically granted. After conducting the review and assessment of the submitted bids the experts committee or the client first invites the most favourable domestic bidder to accept the contract under the tender according to the conditions which apply to the most favourable foreign bid.

Only if the domestic bidder does not accept such conditions within eight days of receiving information from the client regarding the outcome of the tender is the public commissioning order granted to the most favourable foreign bidder.

However, the conditions regarding public commissioning referred to above do not apply to parties submitting a bid that are from those countries with which the Republic of Slovenia has signed special agreements.

It should also be pointed out that the conditions for selecting a foreign bid apply only under the condition of reciprocity or if equal or similar conditions are offered in public tenders in the country in which the foreign bidder resides.

In future, the area of public commissioning and public tender procedures will be regulated by a law on public commissioning which is soon to be adopted. With respect to the participation of foreign parties in public tenders, the draft of the law does not foresee any substantial changes to the regulations which are valid at present.

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Federal

Kontic Addresses Russian Business Delegation

AU0706163095 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 7 Jun 95

[FBIS Translated Text] An economic delegation of the Russian Federation is visiting Yugoslavia today. At a plenary session held at the Hotel Intercontinental in Belgrade, the Russian businessmen were greeted by Federal Prime Minister Radoje Kontic. Olivera Stajic has the details:

[Begin recording] [Stajic] Among the Russian, Serbian, and Montenegrin peoples, there exist a traditional friendship, spiritual closeness, historical connections, and similarity of culture and customs. The breakup of our states has had major implications on the international plane, as well as for our bilateral relations. Even under the conditions of the international sanctions against Yugoslavia, the Russian Government and the Russian people have been making major contributions to the solving of the Yugoslav crisis, Federal Prime Minister Radoje Kontic said, addressing the delegation of about 100 Russian businessmen.

[Kontic] In the work of the Contact Group, the representatives of the Russian Federation have made a significant contribution to the development of the peace process in the former Bosnia-Herzegovina and to the more equal treatment of the Serbian side. Russian troops in the UN peace force have been, diligently and in a dignified manner, and meeting their honorable obligations of preserving peace in these regions.

We are highly appreciative of the efforts and initiatives made by the Russian side directed toward lifting the unjust sanctions against our country. We are grateful to the State Duma and the Council of the Federation for its initiatives regarding the lifting of the sanctions against the Federal Republic of Yugoslavia. We expect the Russian side to work energetically in the UN Security Council in support of their complete lifting, even more so as there are no political, legal, or moral reasons for retaining them further.

[Stajic] In fact, before the economic blockade, the former Soviet Union, that is, the Russian Federation, was our most significant foreign trade partner. The bilateral exchange amounted to as much as 40 percent of the overall Yugoslav exchange. The exchange is expected to reach the previous level soon after the sanctions are lifted, so such meetings must be used for getting to know each other, as well as making good preparations. It is for this reason, Prime Minister Radoje Kontic pointed out, that one must establish possible projects of cooperation in all economic branches and the method of realizing them.

This meeting between Yugoslav and Russian businessmen had been agreed during the previous visit that a state economic delegation headed by Russian Deputy Prime Minister Oleg Davydov paid to our country. In direct contacts and visits to firms, one can most easily and quickly identify joint interests, recognize realistic possibilities, and realize direct contacts, Mihajlo Milojevic, chairman of the Yugoslav Chamber of Commerce said when opening the meeting.

Gennadiy Shikin, ambassador of the Russian Federation to the FRY [Federal Republic of Yugoslavia], expressed great pleasure that such a meeting has taken place, as well as hope that our countries' economic cooperation will soon resume the level it had before the sanctions. He thanked Prime Minister Kontic for his positive evaluations of the Russian stand and added that he hoped that the international community will realize that the FRY has a great significance in the peaceful solution to the crisis. This is why the international community should react in an appropriate way by lifting the sanctions, Shikin said.

The Yugoslav and Russian businessmen will be working in nine working groups. Contacts within the country are planned, and the concluding plenary meeting will be held on the afternoon of 10 June. [end recording]

Parliament, CE Official Discuss Albanian Rights

LD0706185595 Belgrade TANJUG in English 1715 GMT 7 Jun 95

[FBIS Transcribed Text] Belgrade, June 7 (TANJUG)—Yugoslav parliament's senior official Borisav Jovic said Wednesday that Yugoslavia guaranteed, under its law and constitution, all the rights to ethnic Albanians enjoyed by all its citizens, but that they did not make use of them because of separatist goals of their leadership.

In talks with Alfonso Cuco, vice-president of the Council of Europe [CE] Committee for Migration, Refugees and Demography, Jovic said that the only solution was the reintegration of the Albanian ethnic minority into the country's political life and legal order and its exercise of rights and freedoms on a democratic basis.

Jovic, the chairman of the foreign relations committee of the Chamber of Citizens of the Yugoslav parliament, also said it was of major importance that Europe suggest to the Albanian separatist leadership to give up their [word indistinct], and to urge them to make use of their rights in keeping with the law and Constitution.

A strong ethnic Albanian separatist movement has been active for decades in Yugoslavia. Their leaders openly seek secession of the southern Serbian province of

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Kosovo and Metohija and its annexation to neighbouring Albania.

Jovic said that Albanians were leaving Yugoslavia over the past few years mainly for economic and social reasons and also political reasons caused by the country's break up and the breakout of war.

Calls from abroad also prompted a lot of Albanians to leave to prove, in order to put pressures on Yugoslavia, that human rights and freedoms are threatened in it, Jovic said.

Intention of All Serbs To Join FRY Seen

95BA0234B Belgrade VECERNJE NOVOSTI in Serbo-Croatian 14 Apr 95 p 5

[Article by M. Bosnjak: "All Roads Lead to Belgrade"]

[FBIS Translated Text] "The priority is the simultaneous or separate inclusion of the RSK [Republic of Serbian Krajina] and the RS [Republic of Srpska] in the Federal Republic of Yugoslavia [FRY]," emphasized Lezajic in his welcoming telegram to the RS Assembly that is meeting today in Sanski Most.

"All Serbian roads lead to Belgrade. In view of the international circumstances and the position of the Serbian lands with respect to the international community, everything possible has to be done to achieve the option of the unification of Serbian lands, to which the majority of the people of the RSK are giving priority. This has to do with the simultaneous or separate inclusion of the RSK and the RS in the FRY as separate federal entities, with possible confederal ties as a transitional solution."

Welcoming the decision by the RS's National Assembly to hold a discussion today at its session in Sanski Most of the 11 November 1994 initiative from the Serbian Democratic Party [SDS] of the Krajina, which proposed three models for unification of the Serbian lands, RSK Assembly President Rajko Lezajic, in addition to his welcoming message, also sent that assessment of the possibilities for unification.

"The above-mentioned model is the most optimum one, because it permits a real reintegration of the Serbian people and its states," Lezajic thought.

He also recalled the other two options for the unification of the Serbian lands that were presented by the Krajina SDS. The RSK government, and then the RSK Assembly, adopted that document as its official program.

"The second method is the unification of the RSK with the RS. This type of state would have confederal ties with the FRY in the initial stage, for the sake of the stabilization of the FRY's international position. The third method is the creation of a federation between the RSK and RS, which would afterwards grow into a unified state. That model, however, is a model based on necessity, because of the need for mutual protection of the RSK and RS," Lezajic continued. The latter option, in the opinion of the Krajina SDS, of which Lezajic is a member, entails the nucleus of a permanent division into "eastern" and "western" Serbs, with the border on the Drina.

"It is neither a Serbian national nor state interest. For the RSK, that option also contains the danger of the separation of its eastern part from the whole," concluded the president of the RSK Assembly in his welcoming message to the RS Assembly.

Governments Plan To Seek Damages From UN

95BA0234C Belgrade VECERNJE NOVOSTI in Serbo-Croatian 15 Apr 95 p 5

[Article by S. Tatic: "Stop the Embargo"]

[FBIS Translated Text] *In addition to the lifting of the economic blockade, the Athens meeting also decided to request compensation from the UN for the damages that the countries suffered because of the sanctions against the FRY [Federal Republic of Yugoslavia].*

From NOVOSTI's permanent correspondent.

Yesterday morning, at a meeting of the foreign ministers of the 11 countries of the Black Sea region devoted to mutual cooperation (BSEC [Black Sea Economic Cooperation]), there was also a discussion of a proposal to lift the economic sanctions imposed on the FRY in May 1992.

A day earlier, at a meeting of experts from the group of the Black Sea conference, it was planned that this problem would be discussed by the Greek, Russian, Bulgarian, and possibly Romanian ministers. That did not work out, however. There were eight countries at the meeting: Greece, Russia, Bulgaria, Albania, Romania, Armenia, Ukraine, and Moldova. (Russian Minister Andrey Kozyrev did not participate, and sent a representative instead.) The discussion about lifting the sanctions against the FRY was not attended by the ministers from Turkey, Azerbaijan, and Georgia, as we heard at last night's news conference. The joint statement at the meeting of the eight countries was not signed by Russia, Armenia, and Albania. Tirana was against lifting the sanctions.

In addition to the lifting of the economic blockade, it was also decided in Athens that the UN would be asked for compensation for the damages that the countries suffered because of the sanctions against the FRY, and the damages are enormous and almost immeasurable.

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The figure of $15 billion is being mentioned. Albania also showed solidarity on this. "We are not interested in lifting the sanctions, but we are interested in the damages suffered," said Albanian Foreign Minister Alfred Sereci.

In any case, in addition to talks on the economic blockade and its lifting, there was also a discussion of cooperation in tourism, agriculture, energy, technology, environmental protection, telecommunications, transportation, the opening of a joint bank, and other issues of mutual interest, as well as how the countries' organization would be managed in the future. It was agreed that it would be done by a "troika" system similar to that of the EU, and, after all, as was provided by the Istanbul Declaration of 1992, when the BSEC was founded. The mandate will last for six months, and it will be headed by the present, past, and future presidents.

Late in the evening, the conference's host, Karolos Papoulias, held a news conference along with his counterparts. The meeting was viewed as successful, "because agreements were reached on the economic development of the Black Sea region, as well as on the issue of political stabilization."

A joint statement by Greece, Bulgaria, Romania, Moldova, and Ukraine, which applied directly to our area, was published just before the news conference. It said:

"The situation in the former Bosnia-Herzegovina and its serious consequences are a cause of great concern.

"Because of the geographic position of our countries, the sanctions against the FRY (Serbia and Montenegro) have caused serious direct and indirect damage to our economies. The burden of the sanctions is surpassing economic and social tolerance.

"The affected countries have agreed to send a joint request to UN Secretary General Butrus Butrus-Ghali and the Security Council, emphasizing in particular the economic problems resulting from the sanctions against the FRY. This initiative offers other countries the opportunity to join it.

"Furthermore, the further implementation of the sanctions could have great and long-term consequences for the political, economic, security, and social situation in third countries and in the region in general.

"The affected countries are offering their support to the international community's efforts and especially to the Contact Group to achieve a peaceful and long-term settlement of the crisis with an identical [as published] lifting of the sanctions."

At the news conference, Russian Foreign Minister Andrej Kozyrev explained why he had not signed the statement by the five countries.

"Moscow," he said, "supports the five countries' initiative, and the time has come to start lifting the sanctions. It has been almost a year that the Belgrade leadership has supported the Contact Group plan."

In any case, according to him, Russia is not geographically among the FRY's closest neighbors, as is the case with the other signatories of the joint statement.

At the same news conference, there was friction between Turkish Foreign Minister Erdal Ineni and Bulgarian Foreign Minister Georgi Pirinski. Specifically, Pirinski did not accept Ankara's excuse for not attending the talks on ending the blockade.

Russian Duma Takes Stand Against Sanctions

95BA0234D Belgrade VECERNJE NOVOSTI in Serbo-Croatian 15 Apr 95 p 9

[Article by Djuro Bilbija: "Duma Against Sanctions"]

[FBIS Translated Text] For restoring the full status of the Federal Republic of Yugoslavia [FRY] in the UN and other international organizations; the Duma also increased pressure on the Kremlin and Yeltsin to have Russia work energetically in the UN and vis-a-vis its Western partners to have the sanctions lifted.

From NOVOSTI's permanent correspondent.

Yesterday Russia's State Duma, by a vote of 301 "for" to 2 "opposed" and "abstained," supported lifting the sanctions imposed against the FRY and restoring "full cooperation between the two countries."

The decision by the lower house of the Russian parliament, however, should not be confused with a unilateral defection from the international sanctions regime. According to the Russian constitution, that kind of decision is not within the jurisdiction of the legislative authorities, but rather the executive ones, President Boris Yeltsin and the government of Prime Minister Viktor Chernomirdin. It is therefore not strange at all that yesterday's decision by the Duma was addressed to them.

The text of the decision by the State Duma, which is more significant than the appeal adopted a few days ago by the Federation Council (the upper house of the Russian parliament), says:

"1. We propose that the president and government of the Russian Federation [RF] take effective steps aimed at intensifying efforts by the Russian representatives in the UN Security Council and the Contact Group for Bosnia-Herzegovina aimed at lifting the sanctions against the

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FRY, and also, at restoring the FRY's full status in the UN and in other international organizations.

"2. We recommend that the RF government, in the future, make deliveries of natural gas and products of a humanitarian nature to the FRY without seeking prior approval and that it intensify the work of the joint Russian-Yugoslav committee on commercial, economic, and scientific-technical cooperation on developing concrete issues for the renewal of extensive cooperation between the RF and the FRY after the elimination of the sanctions regime.

"3. We propose that the RF government undertake additional measures to strengthen the contract-law basis of Russian-Yugoslav relations, especially cooperation between regions of the two countries. It is necessary to support the proposal from the legislative assembly and administration of the Krasnodar region of the RF for concluding a bilateral agreement on the development of regional cooperation between it and the Vojvodina Autonomous Province in the Republic of Serbia, and also to assist the conclusion of similar agreements between RF entities and those of the state elements constituting the FRY.

"4. We consider the further development of interparliamentary cooperation between the RF Federal Assembly and the FRY Federal Assembly to be advisable. During May and June 1995, an official visit to the FRY by a delegation from the RF State Duma, headed by its president, should take place."

This kind of text for the decision satisfied all the parties represented in the State Duma. That is why there was no discussion of it at all, and so it was virtually passed unanimously. A letter that reached the deputies from the Ministry of Foreign Economic Relations undoubtedly also contributed to that unanimity:

The above-mentioned Ministry informed the Duma that for decades Yugoslavia had been one of the USSR's 10 biggest trading partners, that it accounted for 4 percent of Soviet foreign trade, and that the sanctions were hindering the implementation of Russian-Yugoslav agreements and contracts of 24 August 1994 and February 1995.

The deputies were also warned that after the lifting of the sanctions, Russian-Yugoslav trade could very quickly reach $3.5 billion, and that the two countries were working hard on preparing an agreement on long-term deliveries of Russian oil to the FRY.

Objectively, by voting for this decision, the State Duma also renewed and intensified the pressure upon the Kremlin and Boris Yeltsin through the basic demand that Russia increase the diplomatic and state pressure upon the UN and its Western partners to lift the sanctions. Although such decisions by the Duma are not binding, the intensification of this kind of pressure upon the Russian leadership is per se very significant. Furthermore, to a considerable extent it unties the hands of the Yeltsin-Chernomirdin-Kozyrev trio on the international scene....

Governments To Seek $15 Billion Reimbursement

95BA0234H Belgrade POLITIKA in Serbo-Croatian 15 Apr 95 p 1

[Article by R. Cuk: "Initiative for Lifting the Sanctions"]

[FBIS Translated Text] *Meeting of eight member countries of the Black Sea Economic Cooperation organization; UN Secretary General Butrus Butrus-Ghali will be sent a request for compensation for damages from the sanctions in the amount of $15 billion.*

From our permanent correspondent.

Athens, 14 Apr—Eight of the 11 member countries of the Black Sea Economic Cooperation organization held a special meeting today, behind closed doors, at which they discussed the problems caused by the UN sanctions against the Federal Republic of Yugoslavia [FRY], along with the "calculation" that they had suffered damages of $15 billion. The following countries were involved: Greece, Bulgaria, Romania, Ukraine, Moldova, Albania, Russia, and Armenia. Turkey, Azerbaijan, and Georgia did not participate in this informal meeting.

As we have learned, the above-mentioned eight countries reached an agreement to send a request to UN Secretary General Butrus Butrus-Ghali for compensation for the damages to date from the sanctions. Several countries, headed by Greece, advocated lifting the sanctions against the FRY, in accordance with their previously announced initiative.

The information provided to reporters states that the only one with reservations about that initiative was Albania, i.e., its Foreign Minister Alfred Serreqi.

The Russian delegation was not present at the beginning of this special informal meeting of eight of the 11 member countries of the Black Sea Economic Cooperation organization. A Russian representative arrived during the meeting, however.

At this informal meeting, which will be continued in the afternoon at a "free" time, it is expected that positions will be precisely formulated and "put on paper" in connection with resolving the issue of the sanctions against the FRY and the damages suffered by countries in this region as a result of them. During the talks, however, it was emphasized that full cooperation among

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the member countries of this organization was not possible in a situation in which there were sanctions against Yugoslavia.

Increase in Industrial Production Examined

95BA0234J Belgrade POLITIKA in Serbo-Croatian 15 Apr 95 p 1

[Article by R.N.: "Production 16.6 Percent Higher in March"]

[FBIS Translated Text] *Industrial production is 20.3 percent higher in Yugoslavia during the first quarter of this year than in the same period last year; all industrial sectors show a growth in production.*

Production increased by 16.6 percent in March compared to February, and in comparison with March 1994, the growth of industrial production amounts to 16.7 percent, according to the latest data from the Federal Statistics Institute, which were presented at yesterday's news conference by Mirjana Rankovic, assistant director of that institute.

During the first three months of this year, compared with the same quarter last year, Yugoslav industrial production was 20.3 percent higher. All sectors of industry show a growth in production during the first quarter in comparison with the first three months of last year: energy 4.9 percent; metallurgy 34.7 percent; nonmetals and construction materials 18.9 percent; metal processing and the electrical industry 40.6 percent; the production of chemical products and paper 50.5 percent; wood processing 19.3 percent; the production of textiles, leather, and rubber 21.4 percent; the production of food products and tobacco 32.5 percent; and other industry 31 percent.

"Viewed more narrowly by branches, only six branches showed a decline in production during the first three months of this year in comparison with the same period last year: oil derivatives, the production of iron ore, the production of nonmetals, shipbuilding, the production of leather footwear and leather goods, and the production of miscellaneous products," Mirjana Rankovic said.

All other branches show growth, among which the processing of chemical products, the production and processing of paper, and the production of beverages show a growth of 40 percent in comparison with the January-March 1994 period. Growth taking into account seasonal effects was also achieved: 4.1 percent in January, 2.6 percent in February, and 3.8 percent in March, in comparison with last year's monthly production.

A monthly growth of production in March, in comparison with February 1995, was observed in both Serbia and Montenegro, while the cumulative data for the entire quarter are more unfavorable in Montenegro, because of worse production in January.

Bulgarian Official Views FRY Sanctions

95BA0234L Belgrade POLITIKA in Serbo-Croatian 16 Apr 95 p 2

[Interview with Dr. Aleksandar Yankov, member of the UN Commission on International Law and president of Bulgaria's National Association for International Relations, by Aleksandar Knezevic; place and date not given: "An Embargo Does Not Lead to Settlement of a Conflict"]

[FBIS Translated Text] *The total losses that Bulgaria suffered because of the UN sanctions against Yugoslavia are larger than its national debt; sanctions without assistance to the suffering people and neighboring countries will damage the UN's reputation and image; Badinter's commission could not be an arbitration body.*

A few days ago Belgrade was visited by Dr. Aleksandar Yankov, a member of the UN Commission on International Law (whose chairman he was in 1984), as well as president of Bulgaria's National Association for International Relations. Dr. Yankov is also a professor of international law at Sofia University and a regular member of the Bulgarian Academy of Sciences.

He gave several lectures in Belgrade in which he particularly dealt with the issue of the UN sanctions against the Federal Republic of Yugoslavia [FRY] and the decisions of the Badinter Commission.

There Should Be Compensation for Sanctions

[Knezevic] On 10 November 1994 in Sofia, at a conference called "Bulgaria and the UN Sanctions Against the FRY," you made the opening speech. Bulgaria is obviously particularly affected by the embargo, and so recently it called upon the countries that were not involved in the Yugoslav conflict but were not outside the "scope" of the sanctions to send a joint initiative to the UN and the Organization for Security and Cooperation in Europe in order to resolve their difficulties.

[Yankov] Many diplomats, politicians, and economists participated in that conference. In addition to me, the speakers included Mr. Pirinski, the Bulgarian foreign minister, who at that time was a member of parliament's Foreign Affairs Committee, and also Mr. Slatinski, chairman of parliament's National Security Committee. The general conclusion could be summed up in two points: First, the sanctions should be reexamined and then lifted, and second, in accordance with articles 49 and 50 of the UN Charter, efforts should be made to

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compensate the neighboring countries affected by the embargo.

Bulgaria had additional problems because the sanctions were imposed soon after we, five years ago, began the economic reforms that were supposed to bring us to the establishment of a market economy. Previously, our main markets were located in the USSR's republics. Now it was necessary for us to trade with the Western countries, but the Danube, the most important highway to those big markets, was closed. That dealt a serious blow to our economic reform. The total losses from the sanctions are equal to our national debt.

Sanctions Hurt the UN's Reputation

[Knezevic] What is your opinion of sanctions in principle, if we also take into account their effect in the past?

[Yankov] In the mid-1960's I worked at an adviser at the UN, and from 1976 to 1980 I was also my country's representative at the UN. At the time when Bulgaria was a member of the Security Council, I was an adviser on the legal aspects of our activities.

Because I was at the center of events, it seems to me that I have the right to express my personal doubts about the sense and effect of such sanctions, ever since the time when sanctions were imposed on South Africa.

The League of Nations, the UN's predecessor, was unsuccessful because it failed to punish aggressors, for instance to adopt the imposition of sanctions against Italy when it invaded Ethiopia. I am therefore afraid that the UN will also be the loser if it does not introduce compensation for the populace of the countries being punished as well as the neighboring countries, along with sanctions, if they are necessary. Sanctions without compensatory measures will only damage the reputation and image of the UN.

I also do not believe that a complete embargo imposed on any country can lead to the peaceful settlement of a conflict. On the contrary, sanctions create social and economic problems, both for the punished countries and for the neighbors, and violations of basic human rights like the right to free movement can also occur. I think that it is not enough that the sanctions have been relaxed in the areas of culture, sports, and scientific and technological exchange, in view of the fact that sometimes it is very difficult to distinguish relations in science and technology from economic relations.

[Knezevic] You are among the experts who think that the Badinter Commission did not function in accordance with international law.

[Yankov] I think that the Badinter Commission could not be called an "arbitration" one, because the concept of arbitration implies judges accepted by the parties to a conflict. It seems to me that in the case of this commission, it had more to do with an expert opinion. So much for the formal side of the criticism.

Nevertheless, I have certain doubts about this commission's criteria when the countries arising from the former Yugoslav republics were recognized. The commission set a precedent. My impression is that it operated under certain political influences, without taking the principle of impartiality into account. Otherwise, it could not have forgotten about the constitutional and legal order of the country, while recognizing its administrative borders as international ones. Instead of assisting a fair solution of the problem, the Commission multiplied the difficulties.

Business With Russia To Defy Sanctions

95BA0234M Belgrade POLITIKA in Serbo-Croatian 16 Apr 95 p 2

[Article by S. Zivkovic: "Sanctions Are Not an Obstacle"]

[FBIS Translated Text] *The agreement on cooperation between Vojvodina and the Russian oblast of Krasnodarsk is the first of its kind since the imposition of the blockade; Bosko Perosevic: "The cooperation will be realized by creating joint enterprises, on the basis of private initiative and in other ways."*

Novi Sad, 15 Apr—The executive council of the Assembly of the autonomous province of Vojvodina has approved an agreement on cooperation between Vojvodina and the Krasnodarsk oblast in Russia, as part of a program for cooperation between the governments of the Russian Federation and the Federal Republic of Yugoslavia [FRY]. That is the first document of this kind signed with foreign partners while the sanctions have been in effect, and its adoption is occurring after a visit to the Russian Federation and the Krasnodarsk oblast by Bosko Perosevic, president of the Vojvodina Executive Council, who headed our country's state delegation.

"The Krasnodarsk oblast, in area, is five times larger than Vojvodina, but it has extremely many similarities with our province, because it is an important Russian breadbasket," president Bosko Perosevic told POLITIKA. "Cooperation was not established just now, however. It started a long time ago, but in the past few years it was frozen because of the international sanctions. Now there is willingness on both sides to have that cooperation gain strength, and that is why we drafted the agreement, which is valid for the next 10 years. Its implementation will be accomplished regardless of the Security Council sanctions, through the creation of joint

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enterprises, and then on the basis of private initiative, and in many other ways."

The first collective contracts will be fulfilled next month, when an economic and political delegation from Krasnodarsk visits Novi Sad during an international trade fair. It is already known which areas extensive cooperation will be forthcoming in, however. Businessmen from that part of Russia are interested in equipment for breweries, malthouses, slaughterhouses, sugar factories, cooking oil factories, and so forth. For example, when it obtained assurances from Yugoslavia about the willingness to ship equipment to it, one major slaughterhouse there dropped a German offer that had already been accepted. Cooperation will be established by the Vojvodina enterprises Majevica (Backa Palanka), Inoks (Backi Petrovac), Dijamant (Zrenjanin), the malthouse in Backa Palanka, and many other firms, and private businessmen outside the province will be included, as well as Belgrade's Minel, the Belje combine in Beli Manastir, and others.

In addition to industry and agriculture, cooperation will also take place through the involvement of our experts in the development of the infrastructure, including the building of pipelines in the Krasnodarsk oblast, and also in offering a broad range of services to the public and in many other fields.

"It seems to be a very important fact that this time, in contrast to previous stages, cooperation is being established on the basis of purely economic principles, and that is a result of social changes in both the Russian Republic and the FRY," said Bosko Perosevic, president of the Vojvodina Executive Council.

Serbia

Milosevic Envoy: Bosnian Serb Response 'Positive'

AU0706194695 Belgrade RTB Television Network in Serbo Croatian 1730 GMT 7 Jun 95

[Report by Ljubisav Aleksic—recorded]

[FBIS Translated Excerpt] [Aleksic] Last night, in the Serb Republic [SR], representatives of the Serbian Government headed by President Milosevic's special envoy Jovica Stanisic took over a new group of UNPROFOR [UN Protection Force] troops that had been captured by the SR Army and brought them over to the territory of the Federal Republic of Yugoslavia.

On the border crossing of Karakaj near Zvornik, 108 soldiers and officers from Great Britain, France, Ukraine, and Spain entered Serbia. The international significance of bringing to freedom the second convoy of captured troops has attracted a huge number of world journalists.

[Stanisic] We have been continuing the successful mission of releasing the members of the UN peace force. In the two days we spent in the SR, we achieved an undeniable belief that the SR leadership has a positive feeling about the international community and that they are ready for the further peaceful solving of the conflicts in the former Bosnia-Herzegovina. In this respect, they positively responded to our call, President Milosevic's call, so, at this moment, we have 108 UN soldiers and officers with us. These are officers, soldiers, and observers belonging to British, French, Ukraine, and Spanish battalions.

We hope this process of release will continue in the coming days and that it will be completed [definitivan].

[Aleksic] President Milosevic's special envoy has spent two days in Pale, both on the operational job of collecting as many captured troops as possible and in contacts with the SR leadership about this issue. Only one of these meetings lasted for a full uninterrupted eight hours.

The collecting of the captured soldiers was even more complicated this time because of broken communications, difficult terrain, and combat operations. [passage omitted]

After President Milosevic's appeal to the SR leadership for the captured Blue Helmets to be released, and together with the first group that was freed on 3 June, the overall number of the freed troops has now increased to 228. The Serbian president's special envoy, Jovica Stanisic, speaking to foreign journalists last night, announced the continuation of the mission of freeing the captured UN troops from the SR.

Opposition Offers Solutions to Bosnian Crisis

LD0706191895 Belgrade TANJUG in English 1848 GMT 7 Jun 95

[FBIS Transcribed Text] Belgrade, June 7 (TANJUG)—Zarko Korac of the minor opposition Civil Alliance of Serbia party, said Wednesday that Yugoslavia's recognition of Bosnia-Herzegovina was the key to a resolution of the 'increasingly dramatic crisis' in the former Yugoslavia.

Vojislav Kostunica, president of the Democratic Party of Serbia, another minor opposition party, said, however, that the only way out of the current Bosnia situation was the resumption of talks among all warring sides.

Korac, vice-president of the Civil Alliance of Serbia, said at a news conference in Belgrade the recognition of Bosnia-Herzegovina was just a matter of time, and said the first results of pressure on Bosnian Serb President Radovan Karadzic were already visible.

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He said the Bosnian Serb political centre of Pale was signalling in a certain way that Karadzic would yield and accept the 'Contact Group' plan for Bosnia, because he was aware of the world's serious accusation of his regime being a terrorist one.

Speaking at a separate news conference in Belgrade, Kostunica said he was confident that the bombing of Bosnian Serb lines and the capture of U.N. peacekeepers had shown the absurdity of the Contact Group's approach.

He said all Contact Group's actions had been based on the principle of restoration of peace being possible without peace talks.

Commenting on the announcements that a multinational rapid reaction force will be send to Bosnia, he said 'the more troops, the more violence' rule always proved to be true.

In this context, he said a 10,000-stronger contingent in Bosnia, in addition to the already manifested UNPROFOR [UN Protection Force] bias, made an escalation of fighting more likely.

Referring to Croatia's latest attacks on southern parts of Serb Krajina, Kostunica said they were discouraging in a [word indistinct] for peace.

Montenegro

Assembly Not To Recognize Bosnia-Herzegovina

LD0706173195 Belgrade SRNA in Serbo-Croatian 1645 GMT 7 Jun 95

[FBIS Translated Text] Podgorica, 7 Jun (SRNA)—At its second regular session today, the assembly of the Republic of Montenegro again rejected a proposed resolution to recognize the independence of all the former republics of the former Socialist Federal Republic of Yugoslavia and described it as unconstitutional.

The proposal was submitted by the Liberal Alliance [LS] of Montenegro. Forty seven deputies voted against it and 22 were in favor.

LS Chairman Slavko Perovic said during the session today that "his party and he himself are glad that Serbian President Slobodan Milosevic is following the Liberals' policy in his latest international negotiations."

He accused the current leaderships of Serbia and Montenegro "of having destroyed the former Yugoslavia by removing the five-pointed star from the flag and replacing it with the royal emblem."

Since it was set up the LS has been advocating the secession of Montenegro from the Federal Republic of Yugoslavia. They blame only Serbs for the war in the former Bosnia-Herzegovina and Croatia.

Kosovo

Police Detain Activists, Raid Gnjilane Market

AU0706201695

[FBIS Editorial Report] Pristina Kosova Daily Report in English No 629 on 5 June carries several reports on "constant Serbian police harassment" of the Democratic League of Kosova (LDK) activists, including reports on the police plundering markets, raiding homes, and filing "false charges" against ethnic Albanians in the province.

It is reported that the Serbian authorities banned an editor with the Prishtina-based BUJKU newspaper from travelling to the United States. The Albanian editor told the Kosova Information Center (KIC) that "he was halted at the Kosova-FYROM (The Former Yugoslav Republic of Macedonian) border crossing checkpoint at Hani i Elezit," where he was interrogated by Serbian police inspectors for "over two hours" about "his political beliefs, the possibilities of an armed conflict escalation in Kosova," and about the jobs provided by BUJKU and the KIC. The police also seized his passport under the excuse that "he had visited Albania three years ago." He was ordered to report to the police station in Mitrovica.

LDK sources in Kamenica report that over the past week, the Serbian police and security stationed in Kamenica continued "to summon the Albanian political activists to so-called police informative talks." On 1 June, the police summoned the chairman and a member of the district LDK Presidency, as well as a BUJKU correspondent from Kamenica, who were mostly questioned about "former LDK meetings." Other detained activists are still being held in the Gnjilane prison, "awaiting charges." The report notes that "the Serbian installed authorities have no evidence to institute charges against the detained local government officials," thus they are attempting to "compile evidence" to "stage a trial against them" by interrogating other political activists.

LDK sources in Gnjilane report that on 3 June, "heavy Serbian police forces" raided the town market in Gnjilane and "plundered great amounts of goods." "Unlike" the previous times, this time "the Serbian police plundered everything they could lay their hands on." The report also says that the Serbian police plundered all the goods at a private grocery shop, amounting to approximately 2,000 German marks. The police also plundered two private shops and many "casual passers by."

LDK sources in Podujeva report that the Serbian police on 3 June "blocked" the town market and "plundered

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many Albanian small merchants." The report notes that on Saturdays, a market day in Podujeva, many Serbian merchants from Serbia "expose their goods" in the main town streets and in the market, but the Serbian police "did not disturb any of the Serb merchants, neither did they confiscate their goods."

Sources in Vucitrn report that "the Serbian installed authorities" in Vucitrn today instituted "criminal procedures" against the principal and four secondary school teachers, who are "facing accusations" for "having committed a criminal act" by "organizing gatherings without permission from authorities."

Police Raid Albanian Schools, Arrest Activists

AU0706201595

[FBIS Editorial Report] Pristina Kosova Daily Report in English No 630 on 6 June carries several reports on Serbian police raids on Albanian homes and detention and harassment of the Democratic League of Kosova (LDK) activists.

It is reported that "the Serbian-installed authorities" in Mitrovica on 5 June "closed down" a clinic of the Mother Teresa Humanitarian Association under the "alleged justification" that it "has not been registered." The LDK Information Commission in Mitrovica reports that the clinic was "in possession of" the Prishtina Economic Court documentation. Serbian media also report that three pharmacies belonging to the association have been closed down "under the same excuse."

On the morning of 5 June, the Serbian police raided a secondary school housed in a private home in Vucitrn. Serb policemen "intruded into the classrooms, breaking up classes, and harassing teachers and students." The police detained the owner of the house and his brother.

A Serbian police patrol on 5 June also intervened against secondary school students at Dervar and Maxhunaj villages in Vucitrn and arrested seven teachers, who were later "handed over to the Magistrate Court" in Vucitrn. Sources in Vucitrn report that criminal proceedings against them have been "adjourned" following a request by their defense lawyers. Sources observe that over the past months, the Serbian police have "stepped up violence" against Albanian schools in Vucitrn, by "ill-treating" students and teachers in this municipality almost "on a daily basis."

It is reported that on 5 June the Serbian police arrested five activists of the LDK branch in Urosevac. The report notes that "the LDK activists were held and ill-treated at the police station in Nerodime for two hours and were later transferred to the police station in Ferizaj," where they were "tortured."

A Serbian police patrol on 4 June raided the home of the LDK local chairman at Dubrave village in Istog and arrested him. The activist was "taken to the nearby forest outside the village" and was "beaten up severely." The man was reported to have "suffered heavy body injuries" and is currently seeking "medical treatment." The LDK Information Commission in Istog reports that during the search, the Serbian police "seized all documentation" of the party.

In a monthly report on human rights abuses in Mitrovica, the Mitrovica-based LDK Information Commission states that the Serbian regime "violence against the Albanian population" in the municipality has "continued unabated." The report notes that during May, "nine persons were subjected to physical ill-treatment, 13 others were arrested, court proceedings were carried out against 13 Albanians, nine families had their homes raided by the police, while four political parties activists underwent ill-treatment." Over the past month alone, six Albanian youths were arrested by the Serbian police and either sent to "military courts" or "forcibly drafted into the Serbian Army."

A report from Kacanik notes that on 5 June, the Serbian security in Ferizaj summoned an LDK activist from Dubrave village for the "fourth time" and questioned him "about his political activities with the LDK" and "alleged possession of arms." He was reported "beaten up severely" at the police station and "ordered to report again" to the police station on 12 June. During 24 May-3 June, the Serbian police summoned a resident in Llaushe village, charged with "alleged possession of arms," to report to the police station in Skenderaj "every single day." Under the same pretext, the Serbian police raided the homes of Shatri neighborhood at Llaushe village.

Human Rights Group Briefs Dutch Diplomats

AU0706130995 Pristina Kosova Daily Report in English 6 Jun 95

[FBIS Transcribed Text] Mr. Alle T.S. Dorhout, official of the Dutch Foreign Ministry, European Affairs Department/Eastern European Section, and Dr. Menno Lenstra, first secretary of the Royal Embassy of the Netherlands in Belgrade, visited Monday the Prishtina-based Council for the Defense of Human Rights and Freedoms (CDHRF).

The CDHRF chairman, Mr. Adem Demaci, briefed the Dutch diplomats on the human rights abuses against the people of Kosova by the Serbian regime, focusing on the recent crack-down against the former personnel of the Kosova police force. Mr. Demaci said that over 161 persons have been accused of having allegedly attempted to established a parallel police force in

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Kosova, though there is not a single proof corroborating the Serbian regime indictment.

Mr. Demaci also made mention of the Serbian campaigns for colonization of Kosova and changing of its ethnic composition. The regime is intent on bringing to Kosova as many as 100,000 Serbs colonizers from other parts of former Yugoslavia, while hundreds of thousands of Albanians were compelled to flee Kosova over the past couple of years due to the ever-increasing Serbian regime's violence, the CDHRF chairman said.

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